FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Asia

FBIS-EAS-92-220
Friday
13 November 1992

Daily Report
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FBIS-EAS-92-220 *13 November 1992*

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NATO-Japan Security Conference Opens in Tokyo

OW1211010692 Tokyo KYODO in English 0045 GMT 12 Nov 92

[Text] Tokyo, Nov. 12 KYODO—Japan and the North Atlantic Treaty Organization (NATO) opened a two-day conference here Thursday to discuss post-cold war security issues.

The high-level security conference is the second of its kind following one held in Belgium in June 1990.

NATO participants include Deputy Secretary General Amedeo de Franchis and Assistant Secretary General Michael Legge, while Japan is represented by Vice Foreign Minister Hisashi Owada and Deputy Foreign Minister Kunihiko Saito.

Also attending are military experts and scholars from Japan, North America and Europe.

Thursday's discussions are scheduled to consider prospects for cooperation between the three regions and assess current and future developments in the former Soviet Union.

On Friday, the conference will tackle the issues of security in the Asia-Pacific region and the future role of NATO, the 16-nation Western military alliance.

The idea for the conference stems from a January 1990 agreement between then Prime Minister Toshiki Kaifu and NATO Secretary General Manfred Woerner to boost bilateral dialogue.

Japan is the only member of the Group of Seven (G-7) major industrialized countries that is not a NATO member.

Meeting Encourages U.S. Asian Presence

OW1211064092 Tokyo KYODO in English 0552 GMT 12 Nov 92

[Text] Tokyo, Nov. 12 KYODO—A two-day Japan-North Atlantic Treaty Organization (NATO) conference on post-cold war security issues opened in Tokyo on Thursday with calls for the United States to remain committed to a strong military presence in Asia and Europe.

Vice Foreign Minister Hisashi Owada told participants Japan has "great interest and concern" over what will become of Washington's commitment to remaining engaged in Asia.

Owada said despite the fact the U.S. is a "declining power," its military presence in the region remains "indispensable" for regional stability.

Deputy Foreign Minister Kunihiko Saito, hinting at Asian concerns Japan might expand its military role to fill the vacuum created by a U.S. pullout, said it must not be overlooked that Japan's general reliance on the U.S. for its security "gives a sense of ease to our Asian friends."

The high-level security conference, the second of its kind following one in Belgium in June 1990, was attended by government officials, military experts, and scholars from Japan, North America, and Europe.

NATO Deputy Secretary General Amedeo de Franchis said there are "already great pressures on America to pull back" from Europe.

He warned the debate in Europe on whether to set up more independent military forces may "add to those pressures in conveying the impression that the American commitment is no longer needed or desired."

"We must not let this happen," de Franchis said, adding that if Europe's security is to be credibly defended, it must be linked to the security of North America.

He called on the U.S. to retain a level of troops in Europe "that is not symbolic, but that is an effective number." U.S. President-elect Bill Clinton has said he will draw down the level of U.S. forces in Europe faster than President George Bush had planned, probably to 100,000 or fewer by the end of 1995.

Robert Beecroft, minister counselor and political adviser at the U.S. mission to NATO headquarters in Brussels, told the conference there is "a broad popular feeling throughout the U.S. that more attention now needs to be paid to concerns at home, particularly economic and social concerns."

But he stressed that feeling "is not coupled with a broad public pressure in the U.S. to disengage overseas."

Beecroft said while the U.S. is "fully prepared to stay engaged," any such overseas activity "must be politically sustainable at home."

Conference Favors Asia-Pacific Dialogue

OW1311103892 Tokyo KYODO in English 1022 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Participants in a global security forum here agreed Friday on a need to promote a comprehensive dialogue on security in the Asia-Pacific region, but stopped short of endorsing proposals to set up a new mechanism for the purpose.

Japanese Vice Foreign Minister Hisashi Owada, speaking at a Japan-North Atlantic Treaty Organization (NATO) conference, which ended the same day, said Japan considers it premature to set up any new mechanism along the lines of the Conference on Security and Cooperation in Europe (CSCE).

Owada said existing forums should be utilized instead. He also stressed the importance of pursuing subregional initiatives, suggesting that approach would be more effective in helping resolve localized conflicts and tension.

U.S. State Department official Rust Demming also expressed caution, saying great care must be taken to ensure

that nothing undermines the United States' security arrangements with Japan and South Korea, which he called "absolutely essential" for the region's stability and security.

Demming added that a "very healthy" regional security dialogue could be generated in such existing forums as the annual post-ASEAN ministerial conference, at which various countries outside Southeast Asia meet with the members of the Association of Southeast Asian Nations (ASEAN).

NATO Deputy Secretary General Amedeo de Franchis, noting that the region lacks multilateral security structures like those in Europe, said, "There may be parallels between the security situation in the Asia-Pacific region and in Europe where our alliance's experience may be worthy of emulation."

De Franchis said NATO can offer experience in arms control verification, seminars on military budgets and doctrines, force restructuring to emphasize peaceful intentions, and confidence-building measures such as the right to observe exercises.

But Deputy Foreign Minister Kunihiko Saito argued the European security model cannot easily be applied to the Asia-Pacific region, due to the differing characteristics of the two regions.

He said that while European security structures evolved in the context of a "dualistic" rivalry between the Eastern and Western blocs, rivalries in the Asia-Pacific region are "pluralistic" in nature, with diverse perceptions of external threats.

Saito also pointed out that whereas Europe's geopolitical landscape dictates an emphasis on land forces supported by air power, naval and air forces comprise the mainstay of military structures in the Asia-Pacific region.

Defense Agency adviser Seiki Nishihiro said an Asianized CSCE mechanism could serve as a forum for dialogue, "but such a mechanism would not in itself provide stability."

Nishihiro called for the constitution of new "collective security frameworks," in which the UN would play a major role, and for the rapid establishment of subregional mechanisms.

Masashi Nishihara, a professor at Japan's National Defense Academy, proposed that the Japan-U.S. Security Treaty could serve as an instrument to jointly send peacekeeping troops to various regions of conflict under the UN flag.

Nishihara said Japan could either provide sideline logistical support for NATO peacekeeping operations, or NATO could provide such support for Japan-U.S. operations.

Owada told participants Japan considers U.S. engagement in the region to be "indispensable" and voiced "great interest and concern" over Washington's commitment to continue its presence.

The conference stemmed from a January 1990 agreement between then Prime Minister Toshiki Kaifu and NATO Secretary General Manfred Woerner to boost bilateral dialogue. Japan is the only member of the Group of Seven (G-7) major industrialized countries not in NATO.

PRC Buildup No 'Direct Threat' to Japan

OW1211114592 Tokyo KYODO in English 1124 GMT 12 Nov 92

[Text] Tokyo, Nov. 12 KYODO—China's military buildup does not amount to a direct threat to Japan, though future developments need to be watched, a senior Foreign Ministry official said Thursday.

Deputy Foreign Minister Kunihiko Saito said China's medium- to long-term military modernization program, including its move to purchase some 60 Su-27 fighter planes from Russia, is not seen by Japan to constitute a direct threat.

"Nor do we think it will change the military balance of this region immediately," Saito told participants in a two-day Japan-North Atlantic Treaty Organization (NATO) conference, which opened in Tokyo Thursday.

"At the same time, we would always like to pay attention to the developments in China, taking into consideration the military balance in the Asia-Pacific region," he said.

Defense Agency officials recently indicated concern over military trends in China.

These include equipping its navy with sophisticated technology, imports of equipment from the former Soviet Union, and the expansion of the scope of naval operations into blue water, particularly the area of the disputed Spratly Islands in the South China Sea.

Last month, former foreign minister Hiroshi Mitsuzuka met with Chinese Foreign Minister Qian Qichen and cautioned that China's purported desire to purchase an aircraft carrier from Ukraine would heighten regional tensions.

Qian flatly denied any such intention.

Japan

Tokyo To Seek 'Greatest Common Measure' on Rice

OW1311044792 Tokyo KYODO in English 0419 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Japan will find it difficult to reject the tariffication of rice import barriers if the United States and the European Community (EC) agree on farm issues, Japan's trade minister indicated Friday.

International Trade and Industry Minister Kozo Watanabe said at a press conference, "Japan should make a decision when the U.S.-EC farm talks move forward and the Uruguay Round is heading for a conclusion."

While not elaborating on what kind of decision should be made, Watanabe said Japan would seek the "greatest common measure" which can be understood by each negotiating nation, along the basic policy lines of the government and the ruling Liberal Democratic Party.

Japan has rejected the conversion of all farm import barriers into tariffs as proposed by Arthur Dunkel, chief of the General Agreement on Tariffs and Trade (GATT), under whose auspices the Uruguay Round of multilateral trade talks is being held.

The Japanese Government bases its stand on the need for self-sufficiency in rice for food security reasons.

The U.S.-EC dispute over oilseeds production and farm export subsidies is one of major stumbling blocks to the 108-nation Uruguay Round talks, which have dragged on for six years.

British Prime Minister Postpones Planned Visit

OW1311100692 Tokyo KYODO in English 0953 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—British Prime Minister John Major has postponed his planned visit to Japan early next year, Japanese Government officials said Friday.

The British Government has told Japan that Major will not be able to come because of confusion within Britain over European political and monetary union and domestic problems such as the closing of mines, the officials said.

Japan and Britain have been preparing for Major's visit sometime in early January before the ordinary Diet session convenes.

Foreign Ministry sources said the British Prime Minister will not visit Japan between January and March and it is also unlikely he will come before the Tokyo summit of seven industrialized countries in July.

Major is the third foreign leader to cancel a visit to Japan this year. Russian President Boris Yeltsin postponed his planned September trip, while German Chancellor Helmut Kohl canceled his scheduled visit in October.

Tokyo had expected Prime Minister Kiichi Miyazawa's meeting with Major next year to be "the first step" toward a successful Tokyo summit, the ministry sources said.

Miyazawa Meets With U.S. Congress Delegation

OW1311094892 Tokyo KYODO in English 0942 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Prime Minister Kiichi Miyazawa told a visiting U.S. congressional delegation Friday that it would be detrimental to the world if Japan and the United States were to lapse into protectionism, a Japanese lawmaker said.

"If Japan and the U.S., which together account for 40 percent of the world's gross national product, succumb to protectionism, it will not be advantageous for the world," Miyazawa was quoted as saying by House of Representatives member Iwao Matsuda.

Miyazawa also said he was "optimistic" that the Democrat-dominated Congress, working together with Democrat President-elect Bill Clinton, will be "moderate and middle-of-the-road," said Matsuda, a member of the ruling Liberal Democratic Party.

The six-member delegation led by Democratic Congressman Thomas Sawyer concurred, Matsuda said.

The bipartisan delegation is here as part of a legislators biannual exchange program.

'No Change' in Plan To Resume Loans to Iran

OW1311053892 Tokyo KYODO in English 0512 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—The United States has asked Japan to align its military exports embargo against Iran with that adopted by Washington, a senior Foreign Ministry official said Friday.

The Americans fear that Iran may be attempting to build up its military power in the Middle East, said Kazuo Ogura, head of the ministry's Economic Affairs Bureau.

He said the request for an embargo on technology and goods that can be used for military purposes was made by U.S. Government officials who visited Japan in October.

The U.S. Defense Department has led the call for an embargo against Iran, expressing concern over Iran's recent purchase of submarines from Russia and suspected progress on a nuclear weapons development program.

The Japanese Government pointed out that it has been proposed to meetings of the Group of Seven (G-7) industrial countries that measures be strengthened against the export of military-related technology and goods to countries involved in military disturbances.

The government said it would consider the U.S. request for discussion at this month's working level meeting of G-7 members.

Foreign Minister Michio Watanabe told a news conference after a cabinet meeting, "It might not be possible to agree 100 percent with the U.S. aside from efforts to explain to the U.S., it is all right for aid to Iran—as aid—to progress." [sentence as received]

Watanabe indicated that there has been no change in Tokyo's decision to resume yen loans to Iran.

Kakizawa on PRC's Security Council Seat Support

OW1311051692 Tokyo KYODO in English 1220 GMT 12 Nov 92

[Text] Tokyo, Nov. 12 KYODO—China may eventually be brought around to support Japan's quest for a permanent seat on the United Nations Security Council, according to a senior Foreign Ministry official.

Parliamentary Vice Foreign Minister Koji Kakizawa, in an article contributed to the December edition of the monthly journal CHUO KORON, criticized pessimists who say Japan's quest for a permanent seat is in vain as China would never support [it].

"I do not think China is such an ungenerous country as that," Kakizawa said.

Noting Asia is permanently represented in the five-member council by only a single country, he expresssed hope that China "would show sufficient understanding of our call for Asian countries to be accorded their just voice in the United Nations."

Kakizawa said it is up to Japan to make continued efforts to show China that it is a country that can be trusted and that it is not a hegemony-minded rival of its giant neighbor.

The five permanent Security Council members, which have veto power over council resolutions, are China, the United States, Russia, Britain, and France. Japan currently holds one of the body's 10 non-permanent, revolving seats.

Kato Meets Top Taiwanese Economic Official

OW1311054392 Tokyo KYODO in English 0509 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Japan and Taiwan have made their first open cabinet-level contact on Japanese soil since breaking off relations 20 years ago, the two sides said Friday.

Chief Cabinet Secretary Koichi Kato said he met "informally" with Shirley W.Y. Kuo, Taiwan's top economic policy official, at a dinner party Thursday.

The dinner was also attended by Sakutaro Tanino, chief cabinet councillor of external affairs, and Foreign Ministry officials, he said.

Kato said he and Kuo, chairman of the Executive Yuan's Council for Economic Planning and Development, discussed the possibilities of expanding economic relations, but did not talk about "political issues."

"Broader nongovernmental relations are welcome, but this should be promoted at the private level," Kato told a regularly scheduled news conference Friday.

Liao Hsiang-hsiong, spokesman for Taiwan's representative office in Tokyo, said the meeting signaled Japan is "no longer worrying about Communist China's interference" in its relations with Taiwan.

"They (Japan) said it is okay to tell about the meeting openly—this is quite interesting," said Liao, chief press and information officer at the Taipei representative office.

Japan and Taiwan severed ties when Tokyo and Beijing opened diplomatic relations 20 years ago, and in the past Beijing has reacted angrily to Japan-Taiwan initiatives.

Liao said the meeting also indicated Japan does not want to be "isolated" as other countries enter relations with Taiwan, a growing economic powerhouse in the region.

Japan and other countries in the region widely regard Taiwan as assuming greater importance, despite its move in August to break off relations with Seoul after South Korea and China announced they would establish formal ties.

Taiwan and Moscow are discussing setting up semigovernmental offices, and a North Korean business group has reportedly opened an office in Taiwan.

A Foreign Ministry official said China had inquired about the meeting several days in advance after it was preannounced in the Taiwanese press.

Japan explained there is no change in its position toward Beijing, the official said, declining to explain China's response.

The Chinese Embassy could not be immediately reached for comment.

The first cabinet level contact between Japan and Taiwan was established in November 1991 when Minister of International Trade and Industry Kozo Watanabe and his Taiwanese counterpart, Hsiao Wan-chang, met at the Asia-Pacific Economic Cooperation meeting in Seoul, the official said.

China did not react to that meeting, he said.

Kuo, who was in Japan to attend a private economic forum in Kyoto, left for home Friday. She was accompanied here by Taiwanese business leader Koo Chen-fu.

Plutonium Carrier's 'Evasive Maneuver' Reported

OW1311051592 Tokyo KYODO in English 0126 GMT 13 Nov 92

[Text] Washington, Nov. 12 KYODO—Japan's plutonium carrier played cat and mouse on the high seas with an environmental group's ship shadowing it Thursday, the skipper of the pursuer said.

Harm Jongman, skipper of the 1,872-ton oceangoing tug Smit New York, said the plutonium carrier, the Akatsuki Maru, and its armed Japanese escort switched off all their lights as they changed course in mid-Atlantic on Thursday night.

"They tried to slip away from us," Jongman said with a chuckle as he described by radio the high seas cat-and-mouse game.

"There is no danger for us. I could see them on the radar. The only thing is that it's not a nice thing to do to switch your lights off at night on the ocean," he told KYODO NEWS SERVICE.

The Akatsuki Maru, a converted freighter with a gross tonnage of 4,800 tons, left France on Saturday with a ton of highly toxic plutonium bound for Japan. It is escorted by an armed Japanese Maritime Safety Agency patrol boat.

Jongman said the Akatsuki Maru and its escort, the 6,500-ton Shikishima, changed course late Thursday night and sailed for 20 to 30 minutes without any lights.

"They came close to each other, as if to give the impression that was one dot on the radar and then they split up, probably hoping that we were following the wrong one. But we had the right one," he said.

Jongman said the Akatsuki Maru, which had been cruising westerly for the whole day Thursday, headed south after the evasive maneuver. "Now everything is normal. They turned their lights on again," he said.

The two Japanese ships, cruising south at about 14 knots, were located about 800 kilometers west of the Canary Islands Thursday night but there was still no indication which route they would take on their homeward voyage, Jongman said.

The Dutch skipper maintained that he was keeping his ship three to five miles (five to eight kilometers) away from the Japanese vessels to avoid any possible collision.

The plutonium shipment, reportedly the largest ever single shipment, has sparked concern among a large number of countries whose coasts it might pass about possible accident, such as a fire, or a terrorist attack.

Jongman said the Smit New York, owned by a Netherlands-based salvage firm, is now the only ship tailing the Akatsuki Maru.

Another Greenpeace ship which had shadowed the shipment since its departure from the northern French port of Cherbourg broke away from the convoy as it passed off the mid-Atlantic Azores Islands on Wednesday, Jongman said.

He said it would probably take another four days to tell for sure whether the Akatsuki Maru is heading for the southern tip of South America or toward the Cape of Good Hope in South Africa.

Japan has not disclosed the route for security reasons. The plutonium, which had been sent from Japan for reprocessing, is for use in fast-breeder reactors.

Maritime Agency Blames Greenpeace for Collision

OW1311110792 Tokyo KYODO in English 1035 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—The Maritime Safety Agency on Friday blamed a Greenpeace international ship for its collision Sunday with the Shikishima, a Japanese ship escorting a freighter carrying plutonium from France to Japan.

The agency warned that the Shikishima may resort to firing warning shots or taking other action if again faced with the danger of a collision.

The Shikishima is escorting the Akatsuki Maru, which took on a load of one ton of reprocessed plutonium at the French port of Cherbourg and is transporting it home for use in a new generation of fast-breeder reactors in Japan.

The environmental activist group Greenpeace opposes the shipment on environmental grounds, and its vessel named the Solo has been shadowing the Japanese freighter.

The agency said the results of its own investigations into the incident show that "since the Solo suddenly approached and then collided, the responsibility is on the side of Greenpeace."

The agency said it has also passed on a request, via the Japanese Embassy in the Netherlands where the Solo is registered, asking Greenpeace to cease all pursuit and obstruction.

According to the agency version of the accident, the collision happened at 7:40 A.M. Sunday in international waters off the Brittany coast when the Solo approached the Shikishima.

The agency said the Shikishima issued a warning in accord with international rules, but the Solo suddenly veered left and hit the Shikishima twice.

A more than five-meter section of railing on the deck at the rear of the Shikishima's starboard side fell into the ocean on impact, but the ship was able to continue its escort duties.

The Solo suffered damage to the bow on its port side, but its movement did not appear affected by the accident, the agency said.

The agency said it informed the Dutch Government that if the Japanese ships are again placed in danger, it could resort to such "firm measures" as firing warning shots or a water cannon.

It said it is considering a compensation claim in the wake of the collision.

Greenpeace Japan said the agency's assertion represents a misinterpretation of the facts and that the incident occurred after the agency ship approached the Solo.

A second Greenpeace ship Rainbow Warrior will berth in Tokyo on Sunday after symbolically sailing past the wharf where Greenpeace said it expects the Akatsuki Maru to unload its plutonium on arrival in Japan.

Kanemaru Plans To Accept Summoning to Diet

OW1311055392 Tokyo KYODO in English 0548 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Retired political kingpin Shin Kanemaru plans to accept opposition parties' demands for his testimony as a sworn witness at the Diet over his role in the Tokyo Sagawa Kyubin scandal, his aides said Friday.

Kanemaru was quoted as saying to senior members of largest faction of the ruling Liberal Democratic Party (LDP), "I would not like to appear but am ready to testify."

Diet business has been stalled since Monday over the issue of summoning politicians implicated in the scandal as sworn witnesses to the Diet.

The Social Democratic Party (SDP), Komeito, and the Democratic Socialist Party (DSP) have demanded 10 people, including Kanemaru and former Prime Minister Noboru Takeshita, testify as sworn witnesses.

The LDP has indicated the party may allow the summoning of Takeshita, but refused Kanemaru's testimony.

The governing party has also submitted a list of 11 former and incumbent opposition members it wants summoned to the Diet as sworn witnesses in connection with political scandals.

The LDP informally told the SDP, the largest opposition party, it will flexibly respond to the opposition's demand for Kanemaru's summoning, parliamentary sources said.

The LDP maintained that Kanemaru, former LDP vice president, has already taken political responsibility by quitting his Diet seat.

Kanemaru resigned from the House of Representatives on October 14 after he paid a 200,000 yen fine on charges of accepting an illegal 500 million yen political donation from Tokyo Sagawa Kyubin Co., a now-defunct trucking firm.

Prosecutors questioned Kanemaru on October 7 over the use of the money. The prosecution resumed its investigation on the case after complaints were filed over the flow of the money.

Kanemaru allegedly asked Susumu Ishii, then leader of the Inagawa-kai crime syndicate, through Hiroyasu Watanabe, then Tokyo Sagawa president, in 1987 to help stop a rightists' group harassment of Takeshita, who was vying for the LDP presidency.

The opposition has insisted it will not enter deliberations on the supplementary budget at the lower house's budget committee unless its demand for summoning of Takeshita and Kanemaru is met.

The 40-day extraordinary Diet session opened October 30 to mainly discuss the budget, which calls for an additional 2.99 trillion yen in spending on public works projects and investment to stimulate the sluggish economy.

LDP Submits New List of Desired Witnesses

OW1311124592 Tokyo KYODO in English 1209 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Diet business is expected to be normalized next week because retired political kingpin Shin Kanemaru has expressed his readiness to offer sworn testimony about his role in the Tokyo Sagawa Kyubin scandal, parliamentary sources said Friday.

But Kanemaru, 78, is expected to be hospitalized soon to undergo treatment for cataracts and will probably have to give his testimony from his hospital bed, the sources said.

Kanemaru was quoted as saying to senior members of the largest faction of the ruling Liberal Democratic Party (LDP), "I would not like to appear but am ready to testify."

Diet business has been stalled since Monday over the issue of summoning politicians implicated in the scandal as sworn witnesses before the Diet.

The Social Democratic Party (SDP), Komeito, and the Democratic Socialist Party (DSP) have demanded 10 people, including Kanemaru and former Prime Minister Noboru Takeshita, testify as sworn witnesses.

The LDP has indicated that the party may allow Takeshita to be summoned, but refused to allow Kanemaru's testimony.

On Wednesday the governing party demanded 11 former and incumbent opposition members, including Democratic Socialist Party (DSP) Chairman Ouchi Keigo, testify as sworn witnesses before the Diet in connection with political scandals.

The LDP submitted on Friday a new list of five SDP Diet members who it wants to testify before the Diet, excluding Ouchi.

Ouchi visited Prime Minister Kiichi Miyazawa at his official residence to protest the LDP move.

The DSP chairman reportedly told Miyazawa that he cannot tolerate the LDP action, calling the move eccentric.

Miyazawa apologized to him, saying that his party lacked consideration to a party leader.

The LDP put the DSP leader in its previous list because a photograph made public last year showed him with a known organized crime figure.

The opposition has insisted it will not enter deliberations on the supplementary budget at the lower house's budget committee unless its demand for summoning of Takeshita and Kanemaru is met.

The 40-day extraordinary Diet session opened October 30, mainly to discuss the budget, which calls for an additional 2.99 trillion yen in spending on public works projects and investment to stimulate the sluggish economy.

Obuchi Sends Inquiry to Prosecutors on Mob Ties

OW1311124192 Tokyo KYODO in English 1220 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—The chairman of the ruling party's largest faction submitted a written inquiry to the Tokyo District Public Prosecutors' Office on Friday seeking an explanation about allegations of him having ties with mobsters, party officials said.

Keizo Obuchi is the first to take action among seven politicians of the Liberal Democratic Party (LDP) named in a court statement as involved in bids to silence a rightist group's harassment campaign against former Prime Minister Noboru Takeshita in 1987.

The prosecutors' office refused to comment on Obuchi's inquiry.

Prosecutors read an affidavit November 5 alleging the seven lawmakers attempted to stop the campaign by Nihon Kominto (Emperor's Subjects Party of Japan) against Takeshita, then vying for the party presidency and premiership, and that two of them offered hush money.

The affidavit by Ryumin Oshima, current Kominto leader, was presented in the Tokyo District Court trial of Munenobu Shoji, president of Hokusho Sangyo Co., a real estate firm linked with the Inagawa-kai crime syndicate.

The LDP retreated Monday from plans to file a libel complaint against the prosecutors and Oshima and suggested the lawmakers rather than the party itself may sue.

Four politicians, including Obuchi, denied the allegations, while three others conceded they contacted Nihon Kominto five years ago.

The Japan Federation of Bar Associations accused the LDP on Friday of trying to intervene in judicial affairs with its earlier indication it would file a libel complaint against prosecutors and the Kominto head, and impeach a judge.

Saburo Abe, head of the federation, said in a statement, "(The LDP move) should be called an unconcealed intervention and oppression of the judiciary which is never pardonable in light of the constitutionally guaranteed separation of the three branches (of government)."

He also urged the law enforcement and prosecution authorities to exercise strict jurisdiction over the case.

"The government and the LDP are said to be planning to establish a system to supervise prosecutors. But (their plan) can never be allowed, because it will violate the independence of the judiciary branch."

Miyazawa Prods Cabinet on Early Budget Passage

OW1311051392 Tokyo KYODO in English 0455 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Prime Minister Kiichi Miyazawa, concerned over a delay in the passage of a supplementary budget through the Diet, ordered his cabinet ministers Friday to strive for an early enactment of the fiscal program, government officials said.

The officials said Miyazawa told a cabinet session that a delay in parliamentary action on the extra budget would lessen the effect of the government's 10.7 trillion yen pump-priming package implemented in late August.

Miyazawa made the remark in echoing concerns expressed by cabinet ministers over swift enactment of the supplementary budget to stimulate the stagnant economy, the officials said.

Debates in the Diet on the government's supplementary budget, which provides for a 827.3 billion yen cut from the original program for the current fiscal year, have been held up by a money and mobster scandal involving former Prime Minister Noboru Takeshita and other political figures.

Miyazawa welcomed reports that the amount of public works projects contracted during the first half of fiscal 1992 has reached 77 percent of the total outlays, exceeding the government's target, the officials said.

He told the session he is worried that delayed action on the budget might affect the carrying out of public works projects by local governments, they said.

Top government spokesman Koichi Kato quoted Miyazawa as telling the cabinet that the effects of front-loading public works projects will be canceled out if the budget is not passed in a timely fashion.

Kato told a news conference that Miyazawa expressed concern that a delay could have a negative impact on the economy.

Local authorities are looking to the supplementary budget to provide part of the funds for public works projects that the central government has urged them to schedule at an early date.

Kato said that the cabinet did not discuss ways to speed up parliamentary proceedings, which are deadlocked over opposition demands that senior ruling Liberal Democratic Party officials appear before the Diet for questioning on the Tokyo Sagawa Kyubin scandal.

He said Finance Minister Tsutomu Hata expressed concern that a delay in passing the supplementary budget could hold up progress on the budget for fiscal 1993 which starts next April.

Banks' Outstanding Capital Reserves Decline

OW1311054092 Tokyo KYODO in English 0303 GMT 13 Nov 92

[Text] London, Nov. 12 KYODO—The Bank for International Settlements (BIS) said Thursday outstanding capital reserves held by Japanese commercial banks declined by 52.9 billion U.S. dollars in the April-June period.

A quarterly report released by the bank said the total capital reserves of banks in Europe, the United States and Japan declined during the second quarter of 1992 by 17.2 billion dollars to 6,159.9 billion dollars.

The hefty drop in Japan, three times larger than the average decrease for all the world's banks, was partly offset by advances of 10.8 billion dollars made by French banks and 10.4 billion dollars by Belgian banks, BIS officials said.

The sharp drop in the Japan sector was attributable to restrained interbank transaction by Japanese banks, which have been trying to bolster their capital reserves and reduce assets to meet capital-to-asset requirements set by the BIS.

Interbank trading is less profitable than other financial operations.

The report showed transactions between Japanese banks and foreign banks dropped by 98.7 billion dollars during the quarter, indicating slowed lending from Japanese banks to foreign banks.

As a result, interbank transactions between Japan and other nations had declined by a total of 316 billion dollars as of June from December 1990, it said.

Ministry Official Says Trade Surplus Temporary

OW1211112892 Tokyo KYODO in English 1018 GMT 12 Nov 92

[Text] Tokyo, Nov. 12 KYODO—A top Finance Ministry official described Japan's growing trade surplus as a "temporary" phenomenon Thursday, arguing that it is mainly a product of a stronger yen.

The official also said the government has no plan to give another boost to the stock market, while admitting that the market currently lacks the vigor needed to stage a powerful rally.

Regarding the trade surplus, the official, who spoke with Japanese reporters on condition of anonymity, said the export volume is not increasing rapidly.

The higher yen and the exporters' move toward overseas shipment of higher value-added products are jacking up the dollar-denominated value of exports, he said.

He denied that Japanese companies are trying to export their way out of the recession.

Asked about sluggish imports, the official said he doubts if stimulating domestic demand will lead directly to an increase in imports.

"Even if we shore up domestic demand, it is not certain whether consumers will buy imported goods," he said.

But he stressed that there is no "buy-Japanese" sentiment among consumers, saying that cheap and high-quality goods are selling well at the moment, regardless of whether they are Japanese or imports.

He said it is not a wise move for the government to try to promote imports by setting up specific targets.

The ministry official said the stock market is being battered by negative factors such as the depressive mid-term business reports and political uncertainty

He also said the economy has yet to show any clear signals of an upturn in the near furture.

"The market seems to have no strength at the moment to make a rebound (in the face of these factors)," he said.

He conceded the government has run out of the measures to prop up the market.

"We have taken all the steps (to boost the market) that we realistically can."

The market may remain weak until the signs of economic recovery become palpable, he said.

Vice Minister Expresses 'Concern' Over Surplus

OW1311104092 Tokyo KYODO in English 1012 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Japanese Vice Finance Minister Mamoru Ozaki expressed concern Friday over Japan's soaring trade surplus, saying the ministry will monitor the statistics with increased caution.

Ozaki, speaking at a regular press meeting, said, however, the major cause of the surplus is the yen's appreciation against major currencies, and the decline of imports of luxury goods, which ballooned during the speculative bubble late in the 1980s.

From the aspect of trade, he said, reviving the nation's economy is the priority, and he reiterated the need to swiftly pass a supplementary budget for the current fiscal year.

Ozaki said recent business sentiment seems to be worse than reality, aggravated by recent weak corporate earnings reports.

He pointed to the fact that recovery can be observed in the housing sector, and that not all the news is bad regarding private capital spending, based on what the machinery order statistics show.

Boosted by the government's economic packages, public works investment is strong, he added.

As for slumbering Tokyo stock prices, Ozaki merely said players seem to be staying on the sidelines until the release of midterm financial statements ends.

He also said the ministry, although its basic stance for the medium-term is to restrain government debt, will respond flexibly to issuing construction bonds, should that prove necessary to stimulate the economy.

Ozaki, turning to the recent narrowing of the gap between short- and long-term interest rates, said it is the long-term rates that are coming down slightly, while short-term rates are maintaining stability.

He also said the gap between overnight money rates and the official discount rate is not as wide as when the last discount rate cut was made in July. The margin is currently around 0.75 percentage point, whereas there was a full percentage point difference when the rate was reduced.

At stages during an economic recovery, the gap can widen to around two points, he said.

The discount rate currently stands at 3.25 percent, after being cut by a half percentage point July 27.

Watanabe Urges Lower Short-Term Interest Rates

OW1311051792 Tokyo KYODO in English 0347 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—International Trade and Industry Minister Kozo Watanabe called Friday for lower short-term interest rates.

At a press conference after a cabinet meeting, Watanabe said, "considering the severe business conditions, especially for small- and medium-sized companies, it is desirable that short-term interest rates should fall further."

The trade minister said he has been and will continue to press Finance Minister Tsutomu Hata for a cut in the rates.

Watanabe stressed the particular need for cutting short-term prime lending rates for private companies, as well as call money rates.

Turning to a proposed hike in taxes on gasoline and gas oil, Watanabe expressed his objection to such a move.

The Construction Ministry is asking for the tax hikes in fiscal 1993, which starts next April 1, to help pay for road construction and repair.

"I think the current oil tax is already too heavy," Watanabe said.

He contended he cannot agree to another tax hike which would raise energy prices because the stability of the national economy depends on stable energy prices.

Watanabe also said he will call for an increase in funds for road maintenance from general financial resources.

Hata Rules Out Immediate Cut in Discount Rate

OW1311032892 Tokyo KYODO in English 0315 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—Finance Minister Tsutomu Hata indicated Friday that there is no need for an immediate cut in Japan's official discount rate.

Hata told a regular news conference held after a cabinet meeting that despite speculation that Diet approval of the supplementary budget for the current fiscal year may be delayed, the ministry is not considering any further immediate measures such as a discount rate cut.

Japan's official discount rate, last lowered by 0.5 percentage point in July 27, currently stands at 3.25 percent.

As Japan's economic slump has continued, the financial markets have been anticipating a further cut in the official discount rate.

Such anticipation strengthened when money rates declined at the end of October but market sentiment turned mixed as the Bank of Japan has since then maintained a neutral stance.

Meanwhile, the Finance Ministry announced Friday that 77.4 percent of public works contracts scheduled for the current fiscal year were completed September 30, which marked the end of the first half.

The government was initially targeting completion of 75 percent of the contracts in the first half. The contracts were front-loaded to spur the domestic economy.

Contracts completed in the first half were worth 11.64 trillion yen, up 19.4 percent from the same period last year.

Hata told reporters he expressed his thanks to ministers concerned for their cooperation at the cabinet meeting and urged them to make further efforts to ensure that contracts continue to be completed without hindrance.

He expressed concern over a possible delay in Diet passage of the supplementary budget, saying it could have a negative effect on business sentiment.

Opposition parties have linked passage of the budget to demands for leading members of the ruling Liberal Democratic Party to answer questions in the Diet on the Tokyo Sagawa Kyubin scandal.

Some Finance Ministry officials say a delay could obstruct public works projects by triggering a shortage of funds.

Ministry Approves Rice Paddy Cutback Program

OW1311051992 Tokyo KYODO in English 0231 GMT 13 Nov 92

[Text] Tokyo, Nov. 13 KYODO—The Agriculture, Forestry and Fisheries Ministry formally adopted Friday a three-year rice production program calling for a smaller-than-targeted cutback of rice paddies.

The scheme proposes a reduction of 676,000 hectares instead of the initially targeted 830,000 hectares, starting in fiscal 1993.

The program came as a change in the ministry's rice production policy as the ministry has been expanding the scale of cutbacks of rice paddies since fiscal 1991 because of excessive production.

The policy change reflects dwindling stocks of rice due to a poor harvest last year in the wake of typhoon damage, according to ministry officials.

Japan's stocks of rice at the end of October stood at only 260,000 tons, far below the optimum level of one million tons, ministry data show.

The ministry officials also cited waning production potential because of the aging of rice farmers and an increasing number of farmers giving up rice paddies or switching to other crops.

Apart from the cutback of rice paddies, the ministry also decided upon a plan to halve subsidies to rice farmers moving to other crops. The Finance Ministry has been pressing for a drastic cut in such subsidies to reduce government spending.

At present, a rice farmer turning to other crops receives 14,000 yen in subsidies for every 10 ares (1,000 square meters). Under the new scheme, this subsidy will be lowered to 7,000 yen.

But apparently yielding to pressure from the ruling Liberal Democratic Party, which depends heavily on voters in rice-growing areas, the scheme also calls for increased subsidies in other forms to keep the total level of subsidies to rice farmers at the current level.

North Korea

U.S. Anti-Cuban Economic Embargo Condemned

SK1311110792 Pyongyang KCNA in English 1039 GMT 13 Nov 92

["DPRK Foreign Ministry Spokesman Condemns U.S. Anti-Cuba Economic Blockade"—KCNA headline]

[Text] Pyongyang November 13 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea issued a statement today denouncing anti-Cuba economic blockade by the United States.

The statement reads:

The United States recently promulgated the strong-arm "Torricelli Amendment" to tighten economic blockade against the Republic of Cuba and stifle the independent socialist country.

According to the "amendment" reportedly signed by the U.S. President, the United States is to stop "economic aid" to those countries which render aid to Cuba, impose a large amount of fine on U.S. sister companies abroad which have dealings with Cuba and ban all ships anchoring at Cuban ports from calling at any port of the United States for six months.

This is a wanton enchroachment upon the independence and sovereignty of Cuba and interference in its internal affairs and a criminal act violating the international law on the guarantee of free trade and navigation for all countries and human rights.

The DPRK Government categorically rejects the "Torricelli amendment", considering it to be a brigandish one aimed at stifling the Republic of Cuba and infringing upon the inviolable, independent rights of various countries.

The U.S. pressure on and sanctions against Cuba are anachronistic acts going against the trend of the time toward independence, peace and cooperation.

With no amount of threat and blackmail can the United States bring to their knees the Cuban people who are advancing along the road of socialism.

Now the heroic Cuban people are dynamically advancing under the uplifted banner of revolution and socialism, braving all difficulties and hardships, closely united around the Communist Party and Government of Cuba led by Comrade Fidel Castro.

We extend full support and solidarity for the heroic Cuban people in their struggle to steadfastly defend the sovereignty of the country and gains of revolution and steadily bring the socialist society to completion, smashing the ever intensified aggressive acts, interference and blockade of the United States.

The United States must stop such arrogant acts as forcing its will upon other nations going against justice and the principle of the international law and repeal the "Torricelli amendment" rejected by peoples of Cuba and other countries.

Korean Group in China Denounces Team Spirit

SK1311064892 Pyongyang KCNA in English 0456 GMT 13 Nov 92

[Text] Pyongyang November 13 (KCNA)—The headquarters of Koreans in China of the National Alliance for the Country's Reunification (Pomminnyon) denounced the scheme to resume the "Team Spirit" joint military exercises by the United States and the South Korean authorities.

In a statement released on November 9 the Pomminnyon headquarters of Koreans in China charged that it is a grave

challenge to the fervor of the entire fellow countrymen for reunification that the South Korean authorities recently flew to Washington and held the "annual Security Consultative Meeting" with their U.S. imperialist masters to reach an agreement to resume the suspended "Team Spirit" and shelve the "second-stage cutback program" of the U.S. troops occupying South Korea.

It warned that if the South Korean bellicose elements continued to go along the road of war, confrontation and division with the backing of the U.S. imperialist aggressors ignoring the fervor of the entire fellow countrymen for reunification, they would be held wholly responsible before the entire nation for the grave consequences arising therefrom.

The statement declared that all the compatriots under the Pomminnyon headquarters of Koreans in China will vigorously turn out in the nationwide struggle to decisively reject the aggressive "Team Spirit" joint military exercises of the U.S. imperialists and the South Korean separatists by uniting under the banner of Pomminnyon.

U.S., ROK Stage 'Electronic Warfare' Exercise

SK1311073292 Pyongyang KCNA in English 0506 GMT 13 Nov 92

[Text] Pyongyang November 13 (KCNA)—The U.S. imperialist aggressors and the South Korean puppets staged an electronic warfare exercise and a joint air-to-ground strike exercise against the North on November 10 and 11 by mobilizing some 450 warplanes of different types in the sky above Yechon, Yongwol and Phyongchang of South Korea, according to military sources.

Formations of fighters held an exercise in a real war atmosphere in the sky above Phochon and Hwachon on November 10 and 11 to support the attack operation of infantry and motorized units of the puppet army in the ground attack exercise.

On November 10, the South Korean puppets staged a landing exercise by mobilizing some 40 combatant ships on the West Sea off Inchon, and an exercise of infiltrating "commandoes" into the North from the sea and a submarine operation exercise on the sea near the Kyoknyolbi Islets.

Combatant ships of the puppet navy staged a naval battle exercise to control the sea on the East Sea off Kangrung and Uljin on November 11.

The warplanes mobilized in the air war exercises in South Korea against the DPRK on Nov. 10 and 11 numbered about 1,100 and the naval vessels some 230.

Dialogue's Future Said To Depend on South, U.S.

SK1311073092 Pyongyang KCNA in English 0519 GMT 13 Nov 92

["Destiny of Dialogue Depends on Attitude of South Side"—KCNA headline]

[Text] Pyongyang November 13 (KCNA)—Whether North-South dialogue in Korea continues or collapses, and whether the situation on the Korean peninsula moves toward reconciliation and detente or toward confrontation and war entirely depend on the attitude of the United States and the South Korean authorities, declares NODONG SINMUN in a signed article today.

The article says:

The first sessions of the North-South joint committees in different sectors became abortive as the provocative "Hwarang" and "Eagle" war exercises against the North were launched in South Korea. Dialogue and war exercise are incompatible.

The South Korean rulers decided to resume the "Team Spirit" military maneuvers while clearly knowing of their grave consequences. A very dangerous intention underlies the "Hwarang" and "Eagle 92" military exercises which coincided with the time designated for the first sessions of the North-South joint committees.

Whether the "Team Spirit" is resumed or not is a yardstick showing whether the South Korean authorities intend to implement the agreements between the North and the South or not and whether they intend to achieve peace and reunification through dialogue and negotiation with the North or they seek "unification by prevailing over communism" by force of arms.

The South Korean authorities must discard the foolish intention to reverse their agreements with fellow countrymen for the sake of outside forces and realize "unification by prevailing over communism" with the backing of U.S. imperialism and must cancel the measure of resuming the "Team Spirit" and stop the military rackets wrecking the atmosphere of dialogue before it is too late.

Red Cross Society Asks Repatriation of Yi In-mo

SK1311060392 Pyongyang KCNA in English 1554 GMT 12 Nov 92

[Text] Pyongyang November 12 (KCNA)—The Central Committee [C.C.] of the DPRK Red Cross Society issued a statement today demanding the repatriation of old Yi In-mo.

Yi In-mo, a former war correspondent of the Korean People's Army, was an unconverted long-term prisoner who served 34 years in South Korean prison. Released from prison, the 76 year old man is now in his sickbed, barely eking out a living.

In Pyongyang there are his wife from whom he was separated after two years of life in marriage and his daughter.

Paek Yong-ho, secretary general of the Central Committee of the DPRK Red Cross Society, published a statement demanding his repatriation at a press conference with home and foreign reporters held here today.

In the statement the C.C., DPRK Red Cross society vehemently denounced as an inhumanitarian, anti-national criminal act the unjust behavior of the South Korean authorities who refuse to send old Yi In-mo back to his family, using the humantarian issue as a political bargaining chip.

The statement says:

The government and the Central Committee of the Red Cross Society of the DPRK have repeatedly put the question of old Yi's repatriation before the South Korean authorities and Red Cross in a matter of one year with a view to alleviating the sufferings of old Yi and his family and made unsparing efforts calling upon the international committee of Red Cross and other relevant organizations and world's honest-minded conscience to help toward repatriation of old Yi.

In particular, the DPRK Government raised the repatriation of old Yi as an important issue at the North-South high-level talks and has exerted sincere efforts to this end.

The South Korean authorities, however, raised the question of setting up a meeting place for dispersed families in Panmunjom as a precondition for it when our side broached the question of old Yi's repatriation, and again imposed unreasonable conditions like "repatriation of those kidnapped to the North" when our side agreed to the terms of their offer.

The South Korean Red Cross, following the lead of the authorities, politicized the question of old Yi's repatriation, a matter of purely humanitarian nature, and has, in actuality, laid obstacles to its solution.

The repatriation of old Yi In-mo is from A to Z a humanitarian issue, the statement stresses, adding:

A solution of this problem will please all the fellow countrymen and help toward development of North-South relations, and it would exert a positive influence on national reconciliation and unity.

Old Yi's repatriation is a burning issue whose settlement should not be delayed any longer either in view of his age or in view of his conditions.

The South Korean Red Cross should give up its wrong attitude of abusing the humanitarian issue for political purposes and send old Yi back to his family at an early date as unanimously demanded by the people at home and abroad.

If the South Korean side repatriate him though belatedly, the Central Committee of the DPRK Red Cross Society will consider it as a first step toward settlement of the humanitarian issue between the North and the South.

Should the South Korean authorities and Red Cross refuse to send him back to his family, using the question of his repatriation as ever as a political bargaining chip, they would be held wholly responsible for all the consequences arising therefrom.

Availing ourselves of this opportunity, we express the belief that the governments, political parties and organizations of all countries in the world, international organizations and peoples that set store by human dignity, freedom and rights will lift up voices of solidarity demanding the repatriation of old Yi In-mo.

Japan Denounced for Breaking Up Joint Talks

SK1311005392 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 9 Nov 92

[Yun Pyong-son commentary: "An Unpardonable Act of Breaking Up the Talks"]

[Text] The eighth round of the DPRK-Japanese intergovernmental talks to normalize diplomatic relations, which was held in Beijing, China amid great concern of the people at home and abroad, broke down because of the Japanese Government delegation's unilateral frustrating act.

As everyone knows, the DPRK-Japanese intergovernmental talks were started according to the joint declaration of the Workers Party of Korea, the Japanese Liberal Democratic Party, and the Japanese Socialist Party, which was issued reflecting the desire and aspiration of the people of the two countries trying to liquidate the wrongful past, and establish new friendly relations between them.

Therefore, in essence, Japan, which occupied our country in the past and inflicted innumerable misfortunes and damages on our people, should truly repent of the past and should compensate our people for the misfortune and damage. Only then can the issue of DPRK-Japanese normalization of diplomatic relations be resolved. Japan should truly repent of its wrongful past before the Korean people. This is necessary for Japan itself rather than for others.

As in previous talks, Japan unreasonably came out at the eighth round of the talks with the issue of our nuclear policy and the issue of an unidentified Japanese woman. Japan created a stumbling block by saying that it is difficult to normalize diplomatic relations between the DPRK and Japan if these issues are not resolved. Finally, it unilaterally broke up the talks.

The nuclear suspicion presented by Japan has nothing to do with the DPRK-Japanese talks. Furthermore, through several irregular inspections [pichonggisachal] by the International Atomic Energy Agency, it has been clearly confirmed that our nuclear policy has a peaceful purpose. In spite of this, the Japanese side came out with the issue of our nuclear policy. This is, in fact, unreasonable.

In addition, the issue of an unidentified Japanese woman is a strategic drama fabricated by the South Korean authorities and the Japanese impure elements in a bid to undermine the dignity of our Republic. We have nothing to do with the issue.

Frankly speaking, Japan forcibly took in the past approximately 200,000 Korean women to use as sexual playthings for the Japanese imperialist army. By doing so, it inflicted all kinds of sufferings on them. Worse still, Japan is still turning their back on the painful outcries of the comfort women for the army, even though they escaped death by the skin of their teeth. Japan has no right to come out with the issue of one Japanese woman.

Nonetheless, by using the nuclear issue and an unidentified Japanese woman as a pretext, the Japanese side broke up the talks. This shows that the Japanese Government has no intention of continuing talks to normalize relations with us. If it is not true, why did the Japanese side create a stumbling block to the talks and unilaterally break them up by constantly coming up with this false claim, whose absurdities have been clearly revealed?

Facts show that even though the Japanese Government talks about apology and improvement of relations, Japan does not truly repent of the unpardonable crimes which the Japanese imperialists committed on the Korean people in the past. Facts also show that Japan does not want to improve relations between the DPRK and Japan.

The Japanese Government premeditatedly broke up the eighth round of the DPRK-Japanese intergovernmental talks. As a result, it challenged the common desire and aspiration of the two countries' people trying to live together in harmony by liquidating the miserable past which exists between them and by establishing friendly relations of good will.

The Japanese Government cannot justify the unjust measure of breaking up the talks this time with whatever pretexts. It can not escape from the responsibility.

Because Japan proposed to hold the talks to normalize the DPRK-Japanese diplomatic relations, we responded to the proposal with the single purpose of contributing to constructing a peaceful and prosperous Asia.

No matter how important the improvement of relations between the DPRK and Japan may be, we will not seek to improve relations with Japan by abandoning our dignity and principle. If the Japanese authorities assume an anachronistic attitude, and try to put any pressure on us through ways such as breaking up the talks, this is a foolish thought.

The Japanese Government should clearly know that, without liquidating the past full of crimes inflicted on the Korean people, DPRK-Japanese relations cannot be improved, and they have no right to come out to the international forum. Negotiations should be held with discretion in accordance with the desire of the people of the two countries of the DPRK and Japan, and with the demand of the times.

South Korea

No Tae-u, Bill Clinton Hold Phone Conversation

SK1311005292 Seoul KBS-1 Radio Network in Korean 0000 GMT 13 Nov 92

[Text] At 0800 this morning [13 November] President No Tae-u and U.S. President-elect Bill Clinton had a 20-minute telephone conversation. They exchanged opinions on ROK-U.S. security and on joint measures against North Korea's nuclear development.

President No Tae-u said: President-elect Bill Clinton was victorious because the U.S. people trust the commitments and policies he presented during the election campaign.

Further on No-Clinton Conversation

SK1311014492 Seoul YONHAP in English 0124 GMT 13 Nov 92

[Text] Seoul, Nov. 13 (OANA-YONHAP)—U.S. President-elect Bill Clinton promised Friday to maintain the U.S. role in the Pacific and keep U.S. soldiers in South Korea as long as they are needed.

Clinton, in a telephone conversation with Korean President No Tae-u, pledged continued cooperation in deterring North Korea's nuclear development and urged deterrence against proliferation of other weapons of mass destruction as well.

He affirmed to No that Seoul-Washington relations will grow even closer, the presidential spokesman said.

No focused on North Korea's nuclear problem and the political current on the Korean peninsula, he said.

Clinton replied that the United States will stay with its role in the Pacific and upkeep military presence in South Korea as long as it is necessary.

On No's repeated emphasis on North Korea's nuclear threat, Clinton said he fully agrees with suspicions against Pyongyang, the spokesman said.

Not just nuclear but weapons of mass destruction are global threats as shown by Iran and Iraq, Clinton told No.

The U.S. leader noted South Korea's efforts in balancing bilateral trade that was eight times in Seoul's favor when he visited South Korea in 1988, the spokesman said.

No, stressing the importance of Washington's world leadership, said South Korea will play its role as a U.S. ally and partner to promote peace, stability, democracy and market economy, the spokesman said.

PRC's Liaoning Seeks Large-Scale Investment

SK1011021692 Seoul YONHAP in English 0043 GMT 10 Nov 92

[Text] Seoul, Nov. 10 (YONHAP)—Wen Shizhen, vice governor of China's Liaoning Province, said Monday upon his arrival in Seoul that 1,000 businesses in his province want to join hands with South Korean companies.

Wen said that during the two-week visit his 600-member delegation would mainly concentrate on inviting Korean companies to invest in 100 economic projects involving a harbor, a power station, an expressway and real estate in Liaoning.

He said that he hoped to see Korean companies take part in a 400 million-U.S.-dollar project to build an expressway between Dandong and Shenyang and in a 300 million-dollar to 500 million-dollar power station project.

Before the normalization of Seoul-Beijing ties on Aug. 24, Korean investment in China was small-scale and aimed at light industry, but now it should turn to the heavy industry and the tertiary industry, Wen said.

Liaoning has not only the advantage of geographical proximity with the Korean peninsula but is home to the economically open cities Dandong and Dalian and supports economic exploitation of heavy industry, he said, calling for active interest by Korean businesses.

The delegation will hold a product exhibition of 36 trading houses and 150 companies in Liaoning at the World Trade Center-Korea in southeastern Seoul Nov. 16-22.

They will meet officials from the Economic Planning Board and Trade and Industry Ministry and tour Hyundai Heavy Industries Co. in Ulsan, South Kyongsang Province, and Samsung Electronics Co. in Taegu before leaving Nov. 23.

Construction Begins on Business Complex in PRC

SK1311093592 Seoul YONHAP in English 0514 GMT 13 Nov 92

[Text] Seoul, Nov. 13 (YONHAP)—A business complex for South Korean companies is under construction in Weihai, Shandong Province, Weihai Mayor Zhang Haiqiang told reporters here Friday.

The northern port recently broke ground for 1.2 million pyong (one pyong equals 3.3 square meters) of Korean trading houses, financial companies, department stores, hospitals, golf course and apartments, Zhang said.

He said that the construction materials would be imported from Korea and charter planes would fly between Seoul and Weihai.

Weihai and Seoul will discuss the details after selecting the companies for the complex, Zhang said, adding that an express ferry service between Weihai and Inchon was under consideration.

Russia Wants To Pay Interest With Raw Materials

SK1111024792 Seoul CHUNGANG ILBO in Korean 1 Nov 92 p 1

[Text] Following the Russian Government's proposal to repay $60 million interest on a loan with goods, our government is considering plans to take raw materials, such as crude oil, coal, gas, lumber, iron and steel, and nonferrous metals, in exchange for the loan and its interest.

A high-ranking government official said on 1 November: The Russian Government, which inherited the former USSR's debts, has changed its position on repaying ROK loans before any other foreign loans. It has asked the ROK Government to allow it to repay the interest using raw materials, such as aluminum, the way it has been repaying Western creditor countries, because Russia is having difficulty in paying the interest with cash. He also said: "Taking Russia's economic situation into consideration, our government is studying plans to take raw materials from Russia in exchange for the $1.473 billion loan we provided and the interest on it."

The official stressed: Russia should repay the interest on the loan. It should also first submit legal documentation that says it has inherited the former USSR's debts to our government. Our government will then consider providing an additional loan of $1.527 billion to the Russian Government. This amount is the balance of the $3 billion our government promised when establishing diplomatic relations with the former USSR. Russia can use raw materials to repay the loan our government has already provided and the interest on it. Our government will consider it.

Prior to Russian President Boris Yeltsin's visit to Korea, the Russian Government will send External Economic Vice Minister Shulin to the ROK on 18 November to discuss repaying the interest on the loan with goods.

Russia owed Western countries $84 billion as of 20 October. Of this amount, $30 billion was supposed to be repaid by 1993. However, the Russian Government has asked them to defer repayment. At the same time, it has also said that it is in a difficult position to repay loan interest to the ROK Government in preference to any other foreign loans.

Russia's crude oil production reached 510.8 million tons in 1990, but its production was reduced to only 390 million tons in 1992. The Russian Government is in serious financial difficulty caused by its overall bad economic situation. Accordingly, our government has provisionally halted additional loans to Russia because it failed to meet the original agreement reached between the two countries. However, the ROK Government is seriously considering whether it should continue to provide additional loans to Russia.

When Russian President Boris Yeltsin visits Korea, the government will ask him to allow the construction of power plants and water supply for industrial use in the

Maritime Province so that it can invest in complexes there. It seems that domestic companies' advance in the Maritime Province might be delayed due to the Russian Government's financial difficulties.

Government Likely To Resume Loan Package to Russia

SK1311095092 Seoul YONHAP in English 0852 GMT 13 Nov 92

[Text] Seoul, Nov. 13 (YONHAP)—Korea is likely to resume delivery of its 3 billion-U.S.-dollar loan package to the former Soviet Union from December as Russia has agreed to pay the outstanding interest.

Victor Shilin, deputy foreign economic relations minister, has agreed to pay Korea the interest in aluminum ingots in the first half of next year, assistant finance minister Yi Hwan-kyun said Friday.

Moscow would provide a legal guarantee of repayment of the loans before Russian President Boris Yeltsin's visit Nov. 18-20, Yi said.

The money could start flowing again in December, when the two countries sign a contract on paying the interest in aluminum ingots, Yi said.

Russia is required to pay 49.4 million U.S. dollars of the total 72 million dollars due this month from all of the former Soviet republics.

Russia will give Korea 36.8 million dollars of aluminum for the interest on the 1 billion dollars of bank loans in the first six months next year.

The 12.6 million dollars of interest on 470 million dollars of tied loans will be paid in cash before Yeltsin's visit, Yi said.

Korea's office of supply will purchase the Russian aluminum and pay the money to the Korea Development Bank, creditor for the Russian loans.

Shilin assured Yi that Moscow would give Seoul the legal deeds guaranteeing repayment of all 1.47 billion dollars in loans extended to the former Soviet Union before Yeltsin's trip, according to the assistant finance minister.

Yi said that the remaining 330 million dollars of tied loans promised to the former Soviet Union could be released after conclusion of the aluminum deals in early December.

The two countries have agreed to start negotiations on the residue of 1.2 billion dollars of loans that include export credits for capital goods after the aluminum is shipped to Korea.

Yi said that Korea and Russia agreed to stop the loans again if the aluminum contract was not properly conducted or interest was not paid on time by Russia.

Korea has a demand for 400,000 tons of aluminum ingots annually and the office of supply buys 10 percent.

The price of the Russian aluminum will be decided in Korea's favor compared to the international price, Yi said.

Former Soviet republics will owe 79 million dollars to Korea at the end of this year as interest on 1.47 billion dollars of loans extended since diplomatic normalization in 1990.

Russia is responsible for paying 55.7 million dollars. The loans were halted due to the disintegration of the Soviet Union late last year.

Plans Set for Patent Cooperation With Russia

SK1111154892 Seoul MAEIL KYONGJE SINMUN in Korean 11 Nov 92 p 14

[Text] The ROK-Russian patent technology cooperation project has not been successfully carried out due to the political unrest in Russia. This project, however, is expected to be activated as a result of talks between the administrators of the two countries' patent administration offices to be held in Moscow from 19 to 20 November.

This project is designed to transfer the former USSR's patent technology to the ROK in accordance with the May 1990 ROK-USSR patent cooperation agreement.

The ROK and Russia have so far exchanged some of their patent specifications. No progress, however, has been made in this project because of the political changes in Russia and because Russia has changed its patent system.

The Office of Patent Administration, accordingly, plans to discuss this with Russia at the upcoming ROK-Russian patent administrators' talks. This will be the second time talks have been held, as talks were held for the first time last year. The government plans to seek a plan to activate transferring Russian patent technology to the ROK.

Twenty-six domestic enterprises, including Lucky Goldstar Corporation, have already asked Russia for technology transfers on 230 items. From among these items, 65 outlines on patent technology were sent to the ROK. Domestic enterprises, thereby, are separately contacting Russia on technology transfers concerning some of these 65 outlines.

ROK-Japan Technology Fund Begins Activities

SK1311114092 Seoul MAEIL KYONGJE SINMUN in Korean 12 Nov 92 p 9

[Text] The ROK-Japan Industrial Technology Cooperation Fund headed by chief director Pak Yong-hak, which was established for promotion of technology transfer between the ROK and Japan, began its activities on 12 November after completing all of its preparatory work.

The ROK-Japan Industrial Technology Cooperation Fund was established on 1 September as agreed upon at the ROK-Japan summit. It has secured a fund of 3 billion won from economic circles and is going to set out full-scale activities with the prime minister's instructions, which provided its management guidance to give it momentum.

Science-Technology Accord With EC Signed

SK1311034892 Seoul YONHAP in English 0027 GMT 13 Nov 92

[Text] Brussels, Nov. 13 (OANA-YONHAP)—South Korea and the European Community signed an accord, called the Arrangement for Cooperation in Science and Technology, to promote joint research and exchange of experts Thursday.

Korean Foreign Minister Yi Sang-ok and Filippo Maria Pandolfi, a vice president of the EC Commission, signed the accord following the eighth bilateral high-level consultations. It lays the ground for cooperation between research bodies and sharing of research findings.

In the consultations, with EC Vice President Frans Andriessen, Yi promised to open Korea's freight forwarding market to the EC by the end of March 1994, the same agreement as Korea has with the United States.

He urged the EC to be prudent in making anti-dumping charges against Korean products, saying such measures are closing doors to Seoul's key exports.

Andriessen replied that the EC would try to shorten its anti-dumping investigations from the current one or two years.

He noted the increasing level of cooperation between the EC and Korea, but charged that Seoul's market opening measures lack consistency and transparency.

The two sides discussed North Korean nuclear suspicions, and Andriessen confirmed that the EC will not improve ties with Pyongyang unless North Korea makes itself clear on the nuclear issue.

IAEA To Discuss Inter-Korean Inspections

SK1311123092 Seoul YONHAP in English 1203 GMT 13 Nov 92

[Text] Vienna, Nov. 13 (YONHAP)—A Board of Governors meeting of the International Atomic Energy Agency (IAEA), set to open at the IAEA headquarters here in Vienna on Dec. 3, is expected to discuss the issue of mutual inter-Korean nuclear inspections as one of its agenda topics.

A senior official at the South Korean mission here said Friday that the Board of Governors meeting is expected to call for the early implementation of inter-Korean inspections if the hitherto IAEA inspections of North Korea were found to be not satisfactory.

The official said that at the upcoming IAEA meeting, IAEA Director-General Hans Blix is scheduled to deliver a report on the outcome of the four IAEA inspections held of North Korean nuclear facilities since last May.

"If Hans Blix's report turns out not satisfactory, the meeting is likely to discuss the early implementation of inter-Korean nuclear inspections for more effective inspections," he said.

The official noted that at the September Board of Governors meeting, about 20 countries pointed to the lingering suspicion about North Korea's nuclear arms development.

The fourth IAEA inspection team is now in North Korea inspecting nuclear facilities there since Nov. 2. The team will return to Vienna toward this weekend.

North Threatens Military Alert if Team Spirit Held

SK1211224892 Seoul KBS-1 Radio Network in Korean 2100 GMT 12 Nov 92

[Text] DPRK Ambassador to Geneva Yi Chol revealed that if North Korea's demand for the cancellation of next year's ROK-U.S. joint military exercise Team Spirit is rejected, there is a possibility that peace talks and contacts between South and North Korea will be suspended.

In a news conference on 12 November, Ambassador Yi Chol insisted that holding dialogues while conducting war exercises is illogical. He said that if Team Spirit is resumed it will be inevitable that North Korea will be on military alert for six months.

Ambassador Yi said he hopes that the South will notify the North of the postponement of the Team Spirit exercise at the Joint Nuclear Control Committee meeting scheduled for 18 November in Panmunjom.

In addition, he pointed out that Clinton is the first U.S. president to be elected after the end of the cold war and expressed the hope that better relations will be established with the Clinton administration than with the Bush administration.

Former Party Leader Admits Getting North Funds

SK1211100992 Seoul YONHAP in English 0909 GMT 12 Nov 92

[Text] Seoul, Nov. 12 (YONHAP)—A former progressive party leader under arrest on espionage charges Thursday admitted to meeting and receiving money from an agent from North Korea but denied he had spied for North Korea.

At his first trial session held at the Seoul District Criminal Court, Kim Nak-chung, former co-head of the now defunct Minjung (Masses) Party, contended, "I was not a North Korean spy because I never sought to

subvert the liberal democratic order or handed classified information over to the North on any specific mission from the North."

However, he conceded that since February 1990 he met an agent from North Korea on 29 occasions and received some money and goods from her.

On the alleged involvement of some politicians in the espionage case, Kim asserted that "I met unification ministers and some ruling and opposition party legislators to exchange opinions with them on the issue of unification and international situations, but I never committed the act of spying against them."

He also said that the conclusion of the basic South-North agreement provided an epochal turning-point in the effort to bring about unification.

On the other hand, Kim said that the Seoul government is yet to depart from the old-fashioned cold-war mentality by still branding the North Korean regime as an anti-state organization.

"North Korea, too, should stop perpetrating subversive operations against the South, especially the midnight broadcasting of secret messages,"" he said.

The next trial session of him is scheduled for Nov. 26.

Assembly To Stay in Session Past Closing Date

SK1211012292 Seoul THE KOREA TIMES in English 12 Nov 92 p 2

[Text] The National Assembly yesterday passed a total of 15 bills including a law bill restricting mutual credit guarantees among firms of the same business group and another bill for the ratification of the pact stipulating Korea's cost-share for the upkeep of U.S. forces stationed here.

The Assembly, however, failed to act on the budget bill for next year because of differences over the budget scale.

The Assembly is expected to proceed until later this week to act on the government-proposed budget bill balanced at 38.05 trillion won and the rice purchase bill. The regular session was originally agreed upon to close today.

Bills passed through the House yesterday include laws on guaranteeing fair business transactions, mitigating economic concentration on big businesses and easing bank credit lines for small industries.

Floor leaders from the three main political parties reportedly agreed to operate the regular Assembly session until the weekend to buy time to strike an agreement on the budget bill and the government rice purchase program.

The Democratic Party [DP] and the United People's Party [UPP] assert the need for cuts in the budgets earmarked for big projects such as construction of an international airport in Yongjong islet near Inchon, Kyonggi-to, and a high speed electronic railroad linking Seoul and Pusan.

They claimed the projects at this time are not proper in consideration of the sagging national economy. Besides this, they say, they are aimed at wooing voters' support in face of the presidential election expected in mid-December.

The DP urges to cut 905 billion won from the budget while the UPP demands to curtail 500 billion won.

The two parties share the same view that it is necessary to drastically cut down the budget for the Agency for National Security Planning and the pro-government organizations, raising suspicion that they can be used to help the majority Democratic Liberal Party [DLP] presidential candidate Kim Yong-sam.

But the DLP is opposed to reducing the budget, saying the government-proposed budget is the minimum requirement for the expansion of the social infrastructure in the farming and fishing areas, and increasing financial assistance for small size industries.

Opposition Parties Considering Merger

SK1311043592 Seoul YONHAP in English 0204 GMT 13 Nov 92

[Text] Seoul, Nov. 13 (YONHAP)—A softening of positions brought the United People's Party [UPP] and the New Korea Party [NKP] closer to a merger Thursday, but egos could still derail the process.

UPP spokesman Pyon Chong-il and Rep. Chang Kyong-u of the New Korea Party emerged from six-hour marathon talks with the news that they had agreed that a merger was the best way, but refused to say any more.

Sources close to the talks said the New Korea Party backed off from its demand that UPP head Chong Chu-yong quit as presidential candidate and someone else be chosen. The New Korea Party instead asked that money be set aside to ensure the party survives beyond the Dec. 18 presidential election.

Rep. Chang requested that democracy be guaranteed inside the party to bar dictatorial bosses, and the UPP showed itself in favor.

Rep. Yu Su-ho of the New Korea Party attended the talks and said that considerable progress was made.

The delegates are to report to their parties early Friday and meet again late in the day after adjusting their positions.

Rep. Yi Chong-chan and Chong Chu-yong have strong presidential desires, and if they both insist on being candidates a merger is unlikely however well the talks go.

Parties Develop Active Campaign Strategies

SK1211081092 Seoul YONHAP in English 0701 GMT 12 Nov 92

[Text] Seoul, Nov. 12 (YONHAP)—With the presidential election date fixed as Dec. 18, the three major political parties began to work out active campaign strategies Thursday to swing the momentum in their direction.

The Democratic Liberal Party [DLP], which set an ambitious goal of winning 51 percent of the vote for an overwhelming victory, plans for candidate Kim Yong-sam to attend regional party rallies and take part in debates sponsored by professional groups until the government posts the polling date on Nov. 20.

Once the date is announced and campaigning is allowed, Kim is to crisscross the country in a grassroots campaign among voters, party sources said.

The Democratic Liberal Party hopes to increase its membership to 8,700,000 from the present 3,500,000 to ensure "the fixed pro-DLP votes" are 30 percent of all eligible voters. Emphasis will be put on its task of wooing as many undecided votes, currently believed to be around 25 percent, as possible, the sources said.

The Democratic Party's election campaign management committee, in a meeting chaired by co-leader Yi Ki-taek, set its goal at winning 9,500,000 votes for Kim Tae-chung, and decided to concentrate the campaign effort in such weak areas as North Chungchong, Kangwon and Kyongsang Provinces.

The Democratic Party will also work hard in South Chungchong Province as well as in the vast metropolitan area of Seoul and Inchon, which is believed to be crucial for any candidate to win the election.

Under immediate plans, Kim Tae-chung will start his official campaign in Seoul on Nov. 20. He will visit Puchon and Inchon Nov. 21 to hold rallies before going to Masan, the power base of his DLP rival, to "shut off" Kim Yong-sam's force before it can spread to other parts of South Kyongsang Province.

The United People's Party [UPP] is expected to complete the reorganization of 237 local chapters by Nov. 22 and start campaigning through local party organizations.

The UPP plans to wind up party rallies in North Kyongsang Province on Nov. 19. Candidate Chong Chu-yong is touring the nation to attend the rallies with slogans advocating improvement of the environment, regional development and unification.

Meanwhile, a budding political group, tentatively named the New Korea Party, held its third round of discussions with the United People's Party on a merger.

At Thursday's meeting, the New Korea Party proposed four main conditions for a merger. It demanded that the merged party nominate someone from outside both parties as its presidential candidate. It also asked for a guarantee that the party will remain in existence after the election, allocation of key positions on a 50-50 basis and work to introduce a parliamentary form of government.

Against the New Korea Party's demand, sources said the UPP refused to budge on its position of keeping Chong Chu-yong as presidential candidate, thus posing a formidable obstacle to a merger.

The New Korea Party is expected to hold a joint meeting of the party founding preparatory committee and advisers Friday to make a final decision on the merger. Should the merger talks break down, sources said, there was a strong possibility of five incumbent lawmakers—Yi Cha-hon, Kim Yong-hwan, Pak Chol-on, Han Yong-su and Yu Su-ho—leaving the new Korea party to either join the UPP or become independents.

Kim Yong-sam Said Leading in Presidential Polls

SK1011123992 Seoul YONHAP in English 0723 GMT 10 Nov 92

[Text] Seoul, Nov. 10 (YONHAP)—If the presidential election had been held late last month, Kim Yong-sam of the Democratic Liberal Party [DLP] would have received only 25 percent of the vote, trailed by Chong Chu-yong of the United People's Party [UPP], 18.3 percent, and Kim Tae-chung of the Democratic Party [DP], 15.8 percent, leaving 41 percent of the vote unaccounted for, according to a United People's Party opinion poll.

Pyon Chong-il, spokesman for the United People's Party, said the poll was conducted by an advertising firm affiliated with the Hyundai Business Group between Oct. 20 and 30 in face to face interviews with 12,668 eligible voters.

The United People's Party decided to announce the results of the poll after a television station, quoting a similar poll by another political party, reported that Chong Chu-yong was trailing even Pak Chan-chong, the presidential candidate of the minor New Political Reform Party.

—While a new political party, tentatively named the New Korea Party [NKP], and the United People's Party were talking over a possible merger, Rep. Yi Chong-chan of the NKP launched a fierce attack on the candidates of all three major parties, indicating that he may still seek to run for president independently.

Speaking at an inaugural meeting of the NKP local chapter in Ansan, Kyonggi Province, Yi said he would lead the forces that would bring changes and reforms to the nation's politics.

Old candidates don't become young just because they dye their hair or remove the liver spots from their faces, Yi said, in an obvious reference to Kim Yong-sam and Chong Chu-yong.

—In proliferating charges and countercharges of illegal electioneering among politicians, the United People's Party has brought a suit against Rep. Choe Hyong-u on charges of violating the presidential election law.

Choe, who is leader of Kim Yong-sam's private organization, called the Democratic Alpine Club, is accused of distributing campaign leaflets for Kim to non-party members and paying transportation fees amounting to 270,000 won to each new club member.

Government Announces Plan To Stabilize Prices

SK1111102692 Seoul YONHAP in English 0831 GMT 11 Nov 92

[Text] Seoul, Nov. 11 (YONHAP)—The government announced Wednesday that it will stabilize prices of vegetables for winter pickles, heating systems, fuel, and winter clothing.

It will resist excessive price hikes by restaurants and public baths, and limit money supply growth to 18.5 percent to combat inflation.

The policy was decided in a meeting chaired by Vice Economic Planning Minister Han Kap-su and attended by nine vice ministers and officials of other government organizations.

They agreed that the financial sector should be watched carefully during the last few months of the year to prevent the funds from being used in the election or for consumption.

The government will keep a close eye on real estate speculation and create a system to check on the monopolization of private estates and housing lottery tickets, officials said.

It will demand suppliers of heating fuel put aside reserves for two weeks to a month and provide 24-hour service by rotating during the holiday season for the convenience of consumers this winter, officials said.

Although prices of beef and pork are settling down, the government will continue to observe the supply and demand curve and respond to market conditions.

It plans to seek stabilize fish prices by increasing releases of imported frozen mackerels and dried laver, the officials said.

Burma

Khin Nyunt Receives U.S. Drug Control Delegation

BK1211142492 Rangoon Burma Television Network in Burmese 1330 GMT 12 Nov 92

[Text] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], received visiting Congressman Mr. Charles B. Rangel, chairman of the Select Committee on Narcotics Abuse and Control of the United States Congress, and his party at the Defense Ministry's Dagon House at 1300 today.

Also present were U Ohn Gyaw, minister of foreign affairs; U Nyunt Swe, deputy foreign minister; and Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs.

The American congressmen and his delegation were accompanied by American Embassy Charge d'Affaires Mr. Franklin P. Huddle.

It has been learned that at the meeting cordial and friendly discussions were held on matters relating to bilateral interests.

Delegation's Activities Reported

BK1211150392 Rangoon Burma Television Network in Burmese 1330 GMT 11 Nov 92

[Text] Mr. Charles B. Rangel, chairman of the House of Representatives Select Committee on Narcotics Abuse and Control [CNAC] of the United States of America, and his party, accompanied by U Nyunt Swe, deputy minister for foreign affairs; responsible personnel, and U.S. Charge d'Affaires Mr. Franklin P. Huddle, left Rangoon by special plane at 0700 today and arrived in Lashio at 0900. They were welcomed at the airport by Brigadier General Aye Kyaw, deputy chairman of Shan State Law and Order Restoration Council and commander of northeast military command; Deputy Commander Colonel Ye Myint, and responsible personnel.

At 1000, the CNAC chairman and party accompanied by Commander Brig. Gen Aye Kyaw left by helicopters for Chinshwehaw and arrived there at 1100. They were cordially welcomed by Police Colonel Ngwe Soe Tun, joint secretary of the Central Committee for Drug Abuse Control [CCDAC]; departmental officials; and the leaders and members of the Kokang and Wa nationals. Later, the CNAC chairman and party were introduced to departmental officials, and leaders of the national races by the CCDAC joint secretary at the Chinshwehaw Meeting Hall. The secretary of the CCDAC Police General San Thein then explained that due to religious teachings and its cultural background, Burmese completely reject the use of drugs and that it is prohibited in society. Reflecting the Burmese spirit against drug use, he said the government is always fighting to eradicate the danger of drug abuse. He then mentioned that great importance is given to educating the local people from poppy cultivating areas to help them understand and be convinced about the hazards of drug abuse, and that it is being carried out.

Continuing, he explained the government is also helping these people realize the harmful effects of cultivating opium and producing drugs so that they can cooperate and participate in the eradication of illegal poppy cultivation in those areas. He added that in the present antinarcotics program, special priority is being given to earning a substitutional income. He noted that since poppies are cultivated in the remote areas, they will remain the only easy way to earn cash unless business and trade is developed there. He cited this as a reason why the Burmese Government formed the Committee for Development of Border Areas and National Races in 1989. This body has been upgraded to ministerial level in September 1992. He noted the committee's activities were aimed at increasing the socioeconomic development of the border regions and national races. He said the committee has also managed to convince the local people to gradually give up poppy cultivation, the ill-starred inheritance, and drug trafficking. They have also begun farm development and the cultivation of other cash crops. He noted that former Kokang and Wa rebels, after realizing the adverse effects of narcotics, have four times on their own volition destroyed poppy fields and drugs worth US$ 9 billion. Continuing, he explained that Burma participates on all sides and in all aspects in the suppression and eradication of all narcotics. Finally, he said while effectively coordinating the respective aspects as one of the national priorities, Myanmar also cooperates and coordinates with the international community.

Next, Lieutenant Colonel Thein Han, director general of the committee for the development of border areas and national races, explained the development programs of the border regions.

Mr. Charles B. Rangel, CNAC chairman, said he was pleased to have the opportunity to observe and understand the Burmese Government's efforts to achieve internal peace, while working for the betterment of the people under complex and difficult political and socioeconomic situations. He praised the Burmese leaders and added that he respects them as they are trying to work hard under various limitations. He also stressed that over a hundred years ago in the Civil War, America was divided and that various problems stemming from race, religion, and skin color still exist today. He said he disliked the practice of playing two tunes at the same time, in which one ignores one's own domestic problems and talks about human rights issues of another country. Continuing, he noted that the police general mentioned that America has suspended drug suppression aid to Myanmar on grounds which are irrelevant to narcotics. Not only America but the whole world has to face the danger of drugs, he said. The poor, especially, will be affected most. He urged to the two countries put aside all their differences to achieve their common aim in stopping drug abuse for the peaceful and happy future for our great-grandchildren and added that necessary ways must

be found, with mutual respect and trust, for better friendship and cooperation. He concluded by saying he expects to achieve increased cooperation from his trip to Burma.

Later, the American delegation and the groups headed by local leaders of national races U Phone Kyar Shin and U Kyauk Nyi Hlaing discussed ways to successfully carry out drug suppression and control.

After the discussion, the CNAC chairman and party visited Patethaw hydropower plant in Chinshwehaw, the Chinshwehaw bridge at the Burma-China border, the basic education primary school, the station hospital, and the agricultural farms.

The congressional delegation later left for Kunglong by helicopter.

Narcotics Destroyed in Ceremony

BK1311045892 Rangoon Burma Television Network in Burmese 1330 GMT 12 Nov 92

[Excerpts] The sixth narcotics destruction ceremony was held by the Central Drug Abuse Control Committee [CDACC] at 0800 at Aung Thabye Police Station on Kyaikwaing Pagoda Road, Mayangon Township.

The ceremony was attended by Lieutenant General Phone Myint, chairman of the CDACC and minister of home affairs; Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration [SLORC]; members of the SLORC; ministers and deputy ministers of the Cabinet; senior military officials from the Defense Ministry; divisional commanders; directors general and managing directors of the Office of the SLORC, the Office of the Cabinet, and the government departments; members of the SLORC Information Committee; local and foreign journalists; journalists from the (ELLE PRESS), (CONCORD DAILY), and the AFP; Director General San Thein of the People's Police Force [PPF], secretary of the CDACC, and members and responsible PPF officials; ambassadors, charge d'affaires, and officials of the foreign embassies in Rangoon; officials from the UNDP, FAO, WHO, UNICEF; and U.S. Congressman Mr. Charles B. Rangel, chairman of the Select Committee on Narcotics Abuse and Control of the United States Congress and members of his delegation currently visiting Rangoon. [passage omitted]

Police Colonel Ngwe Soe Tun, joint secretary of the CDACC and director of the Narcotics Department of the PPF, explained the narcotics control program of Burma. He said first, there are two policy objectives: the first objective being gradual eradication of opium cultivation through development of border regions and local national races. He said most of the opium is cultivated in the eastern part of Myanmar and it has been learned that 65,068.14 acres were cultivated during 1991-92. He said the statistics was collected on the ground. He added that a total of 8,949 to 10,000 acres of opium fields were destroyed during 1991-92. It is estimated that there are about 300,000 hilltribes living in the hilly border region and their livelihood depends on the opium cultivation. [passage omitted]

Police Colonel Ngwe Soe Tun explained that the Burmese Government has spent Kyat 1,215 million between 1989 and 1992 for border region development program and the government expects to spend Kyat 890.29 million for the next four-year period from 1992 to 1996. He said results of such unprecedented development undertaking in such a short period in Burma can now be witnessed. The UNDP jointly worked for three years with the Committee for Development of Border Regions and National Races under an agreement signed to work for development of 20 villages in Kokang, Wa, East Keng Tung, Shan, Palaung, and Pa-o regions. [passage omitted]

He said 13 ceremonies—six in Yangon and seven in border regions—such as today's ceremony had been held to destroy narcotics. He explained that amount of narcotics destroyed during these ceremonies were as follows: 1,232.05 kg of heroin, 5,418.06 kg of opium, 244.435 kg of morphine, 47.91 kg of opium oil, 112.699 kg of opium liquid, 3,107.600 kg of marijuana, 17,694.625 liters of Phensedyl [cough syrup], 391.78 liters of Corex, 8.05 liters of Glycodine, 7,336 acres of opium fields, and seven opium refineries. [passage omitted]

Next, in the presence of the guests at the ceremony 21,427 bottles of Phensedyl containing 1,449.125 liters were destroyed with steamrollers. After the officials from foreign embassies and UN agencies and local and foreign journalists chemically tested the narcotics to be destroyed, visiting U.S. Congressman Mr. Charles B. Rangel and members of his delegation, ambassadors and diplomats from the foreign embassies, and officials from the UN agencies torched 115.354 kg of heroin, 5,090.78 kg opium, 1.847 kg of opium oil, 0.514 kg of opium liquid, 34.470 kg of morphine, and 292.685 kg of marijuana.

Delegation Departs 12 Nov

BK1211144692 Rangoon Burma Television Network in Burmese 1330 GMT 12 Nov 92

[Text] Congressman Mr. Charles B. Rangel, chairman of the Select Committee on Narcotics Abuse and Control of the United States Congress, and his party left Rangoon by air this evening.

They were seen off at Rangoon Airport by Deputy Foreign Minister U Nyunt Swe; Police Major General San Thein, director of the People's Police Force and secretary of the Central Committee for Drug Abuse Control; Lieutenant Colonel Thein Han, director general of the Office for the Development of Border Areas and National Races; responsible officials from the American Embassy; and responsible personnel from the Ministry of Foreign Affairs.

Brunei, Malaysia & Singapore

Malaysia

Further Reportage on Chilean President's Visit

Chile Invited To Join G-15

BK1211143692 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 12 Nov 92

[Text] Malaysia, a founder member of the Group of 15, G-15, developing countries has offered to approach member countries to accept Chile as a member. The offer was conveyed to visiting Chilean President Patricio Aylwin Azocar by Prime Minister Datuk Sri Dr. Mahathir Mohamed during their discussions yesterday.

Disclosing details of the discussions between the two leaders, Chilean Foreign Minister Enrique Silva Cimma said Datuk Sri Dr. Mahathir invited Chile to become a member of G-15 to bolster cooperation between South-South nations. He said President Aylwin accepted Datuk Sri Dr. Mahathir's invitation and hoped that the other G-15 member-nations would accept the Latin American nation as the 16th member of the group. If that situation arises, Chile will accept it with pleasure, he told reporters through the Chilean ambassador to Malaysia, Mr. Jaime Lagos, who acted as his translator.

Aylwin Invites Investment in Chile

BK1311045992 Kuala Lumpur BERNAMA in English 0326 GMT 13 Nov 92

[Text] Kuala Lumpur, Nov 13 (OANA-BERNAMA)—The bulk of investments in Chile currently came from Asia, Australia, New Zealand, and Japan, visiting Chilean President Patricio Aylwin Azocar said here Thursday.

Inviting Malaysian businessmen to take advantage of the investment opportunities there, he said Chile recorded about eight percent growth rate this year, the unemployment rate was five percent, and the country was going through a smooth and peaceful transition to democracy.

Aylwin, who is on a four-day offical visit to Malaysia with a 130-member delegation, was speaking at the third meeting of the Malaysia-Chile Chile-Malaysia Business Cooperation Committee and the third Malaysia-Chile business conference, here.

Aylwin also witnessed the signing of an agreement for the purchase of a U.S. $6.6 million (MR [Malaysian ringgit] 16.5 million) building by the Malaysian South-South Corporation Sdn. Bhd. [Private Limited] (Masscorp) from a Chilean consortium known as Inmobiliara Tres B. Limitada.

Masscorp, earlier known as Malaysian Latin American Ventures Sdn. Bhd., was established in 1991 after a successful trade and investment mission to Chile headed by Malaysian Prime Minister Dr. Mahathir Mohamed.

He also witnessed the signing of another agreement on mining cooperation between Hughes Group (Malaysia) and Invepa (Chile).

Earlier, Malaysian South-South Association (Massa) President Azman Hashim said in his opening address that Chilean businessmen should use Masscorp and Massa as their reference centres for their trade and investment requirements.

Azman, who is also chairman of Masscorp, said the six-storey building purchased by Masscorp in the Las Condes prime business district of the Chilean capital Santiago would also house the Malaysian Embassy.

Discusses Technical Cooperation

BK1311064992 Kuala Lumpur BERNAMA in English 0607 GMT 13 Nov 92

[Text] Kuala Lumpur, Nov 13 (OANA-BERNAMA)—Malaysia and Chile are studying the possibility of expanding their technical cooperation to the car and shipbuilding industries, Chilean President Aylwin Azocar said Thursday.

He said: "during our discussions we were impressed by the high degree of development of the automobile industry in Malaysia."

Chile was a large importer of automobiles and its market was open to Malaysian automobiles, he told a press conference here at the end of his four-day official visit.

Alywin said: "I feel Chile can become an important point of entry for Malaysian automobiles for the rest of Latin America since we have trade agreements with many Latin American countries."

This was a possibility which must be studied as it could be of great importance to both countries, he added.

Aylwin, who is leading a 60-member delegation on a three-nation Asian tour, leaves for China tomorrow. Japan will be his last stop.

He said as the economies of both countries were complementary, there had been important discussions on the prospects of Chile's export of copper to Malaysia and import of cars from Malaysia.

Chile would be able to cooperate with Malaysia in other technology-based industries such as shipbuilding and the production of fertilisers, he said.

He said there had been preliminary discussions on the shipbuilding industry and the construction of highways during this visit.

Aylwin said there was a lot of things that could be done in the field of technology as developing countries had been forced many times to buy technology from the advanced countries.

He said: "We have begun discussions with the government of Malaysia to develop appropriate technologies from our country."

On the anti-tropical timber campaign waged by some Western countries, Aylwin said no country should hinder the exploitation of timber resources by another country.

Timber should be exploited and worked in a way that could preserve humanity's heritage, he said.

Describing his visit as successful, Aylwin said the cooperation between both countries was a conrete example of how South-South cooperation could work.

He said Chile's trade with Malaysia, which has increased many folds since the visit of Prime Minister Datuk Sri Dr. Mahathir Mohamed last year, was important as his government viewed Malaysia as the gateway to penetrate the ASEAN market with its 350 million population and also Asia.

He said Malaysia had invited Chile to join the Group of 15 [G-15], and Chile welcomed the idea as it has similar aspirations with the G-15 countries.

Departs 13 Nov

BK1311050492 Kuala Lumpur BERNAMA in English 0355 GMT 13 Nov 92

[Text] Kuala Lumpur, Nov 13 (OANA-BERNAMA)—Chilean President Patricio Aylwin Azocar and his wife Leonor Oyarzun de Aylwin left for home Friday after a four-day state visit to Malaysia.

They were accorded a ceremonial farewell at the Istana Negara (palace) by the Yang Di-pertuan Agong (the Malaysian king), Sultan Azlan Shah, and Raja Permaisuri Agong (the queen) Tuanku Bainun.

Aylwin and his wife arrived at the palace accompanied by Malaysian Prime Minister Dr. Mahathir Mohamed and his wife Dr. Siti Hasmah Mohamed Ali.

President Aylwin had arrived on Tuesday accompanied by several senior ministers, including Foreign Minister Enrique Silva Cimma and Minister of Economy Jorge Rodriguez.

Among other things, he held discussions with Dr. Mahathir on various matters including bilateral issues.

Mahathir Discusses Business Ventures

BK1311093192 Kuala Lumpur BERNAMA in English 0750 GMT 13 Nov 92

[Text] Kuala Lumpur, Nov 13 (OANA-BERNAMA)—Malaysia may consider a joint venture to assemble the Proton Saga car (the national car) in Chile or use materials from that country for manufacture of the national car, Prime Minister Dr. Mahathir Mohamed said Friday.

The cars could be exported from Chile to several countries which had agreements on avoidance of double taxation with Chile, he told reporters after seeing off President Patricio Aylwin Azocar of Chile at the Kuala Lumpur International Airport here.

Replying to reporters' questions on the possibility of Malaysia exporting the Proton Saga to Chile, he said several matters had to be taken into consideration.

"Firstly, they used left-hand drive vehicles while we produce right-hand drive vehicles. Therefore, we have to manufacture left-hand drive vehicles.

"Secondly, we must understand their system of taxation so that our car can be imported into Chile at a reasonable price," he said.

On investments in Chile, he said Malaysia had started investing in areas in which it had the expertise, such as mining.

Chile was a leading producer of copper and had many sites where alluvial gold was produced, he said.

He said Malaysia, which had wide experience in the production of tin, might establish joint venture with Chile in the production of gold.

Dr. Mahathir said the visit of President Aylwin would forge closer bilateral diplomatic and trade relations.

"Besides, ASEAN will also be informed of the need to have discussions and meetings with the Rio Group, a grouping of Latin American countries," he said.

Dr. Mahathir said the visit by President Aylwin and his entourage enabled them to understand the vast business opportunities in Malaysia which they had been unaware of.

Agreement on Singapore Second Link Project Signed

BK1211152892 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 12 Nov 92

[Text] The Malaysia-Singapore second link project will get off the ground once all agreements between the parties concerned are signed. The minister of works, Datuk Leo Moggie, said at least four parties—the federal government, Johor state government, the United Engineers Malaysia (UEM), and the Singapore Government were involved.

He was speaking at the youth conference after signing a tripartite agreement on the project in Kuala Lumpur. The agreement was signed by Datuk Moggie—representing the federal government, Johor Menteri Besar [Chief Minister] Tan Sri Muhyiddin Yassin for the state government, and UEM Chairman Tan Sri Radin Soenarno for the company.

Datuk Moggie said other agreements needed to be signed between the federal government and Singapore, Johor and Singapore, and Johor and UEM on the construction of a new township. He said the federal government will hold

discussions with the island republic to iron out several issues over the boundaries between the two countries.

Cambodia

Defense Ministry Views UN Notice, AFP Report

BK1311073092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 13 Nov 92

[Denial by the Defense Ministry of the State of Cambodia; date not given—read by announcer]

[Text] Referring to the 4 November 1992 notice from the UNTAC [UN Transitional Authority in Cambodia] military commander's aide-de-camp to the Cambodian People's Armed Forces [CPAF] which says that UNTAC was concerned over the CPAF's report on a rocket attack against an area some 20 km north of Phnom Penh; that it feels extremely sorry because, following UNTAC's investigation, there was little evidence of the attack; that in UNTAC's opinion, similar incidents apparently have never occurred; and that the report turned out to be a lie. The officer also made a groundless statement that UNTAC was extremely worried because the report could [passage indistinct] the cochairmen of the Paris conference have begun to implement their diplomatic concept and the Supreme National Council [SNC] had met in Beijing recently.

Later, AFP carried a false report presented by a UN spokesman on 10 November 1992 which said that Phnom Penh troops had launched two attacks against the resistance forces over the last weekend, then put the blame on the Khmer Rouge.

Concerning the aforementioned notice and false report, the Defense Ministry of the State of Cambodia [SOC] wishes to reject them totally. The CPAF—which has made maximum concessions; sincerely executed the implementation according to the Paris accord from the beginning; spared no efforts to cooperate with conflicting parties and UNTAC in enhancing the implementation of the accord, and become a victim of the Khmer Rouge's military, political, and economic violations—has been taxed with presenting false reports and being an instigator.

The SOC Defense Ministry feels extremely sorry for the allegations voiced by the UNTAC officer and AFP which constitute a moral encouragement to the Party of Democratic Kampuchea and the Khmer Rouge troops to intensify their barbarous and cruel violations against the SOC side, thereby dragging on the Cambodian people's sufferings and bringing about an eventual total destruction of the peace accord on Cambodia as it was demonstrated by the negative result of the meeting in Beijing on 7-8 November 1992.

As always, the CPAF is prepared to cooperate with UNTAC's investigative team to continue to find out the concrete reality of the aforesaid provocations.

KR Reportedly Preparing Routes for Offensive

OW1311093492 Tokyo KYODO in English 0925 GMT 13 Nov 92

[Text] Phnom Penh, Nov. 13 KYODO—Cambodian Government sources on Friday charged that Khmer Rouge [KR] guerrillas in control of the country's northern regions are building a network of secret supply routes for their suspected dry season southern offensive.

Sources said they had received information on the routes from government troops stationed near Kompong Thom in central Cambodia, just south of the Khmer Rouge stronghold, who also reported that Japanese tractors were being used in the construction projects.

The Khmer Rouge signed a peace agreement in October 1991 with the Vietnamese-backed Phnom Penh government and two other non-communist resistance factions, but has refused to disarm and canton its troops in accordance with terms of the Paris accord.

The government faction has warned of a Khmer Rouge offensive during the dry season and if the existence of the supply routes can be confirmed, fears may be aroused that a southward strike is pending.

Government troops reported that the construction is moving along quickly from the Thai border on the northern edge of Cambodia along National Highway No. 12 toward the key city of Kompong Thom.

Government troops, however have moved tanks and artillery into the area, thereby reducing the likelihood of it being overrun by the strongest of the Khmer Rouge factions.

The guerrillas are also building bridges and medical facilities in villages in the region to appease the local citizens, the government troops reported.

Informed sources said that Chinese-made vehicles are being used in the projects, but added that Japanese-made vehicles are also present and may have come through Thailand.

The Khmer Rouge has been blamed for the deaths of up to a million Cambodians during its rule from 1975 to 1978, when Vietnam invaded Cambodia and installed a government in Phnom Penh.

Hanoi says its troops were completely withdrawn in 1989, but the Khmer Rouge has refused to disarm, insisting Vietnamese soldiers have remained in Cambodia in the guise of civilians.

Khmer Rouge Continue Verbal Attack on Vietnam

BK1311032692 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 12 Nov 92

[Station commentary: "It Is Not Possible To End the Cambodian War Without Settling the Problem of Yuon [derogatory term for Vietnamese] Aggression"]

[Text] Everyone knows that the war in Cambodia was caused by the Hanoi Yuon's dispatching 200,000 troops and 50,000 administrative officials to invade and occupy Cambodia on 25 December 1978 in accordance with their blitzkrieg strategy that aims at swallowing Cambodia at the drop of a hat.

However, the strategy was defeated and the Yuon enemy aggressors were forced into a protracted guerrilla and popular warfare waged by the Cambodian people. And as they failed in the military war, the Yuon enemy aggressors were forced to sit at a negotiating table and sign the Paris accord on 23 October 1991. Nonetheless, the Yuon enemies, with their truly aggressive and annexationist nature, have never relinquished their Indochinese strategy.

Since the signing of the Paris accord, the Yuon enemy aggressors have resorted to a new strategy of increasing the flow of Vietnamese entering Cambodia like water roaring through a broken dam. Yuon in Cambodia now number over 2 million, more than 1 million of whom hold the Cambodian identity card. Some of those Yuon are playing the core leading role and controlling the puppet regime at all levels and in all sectors while others are disguised as civilians running this or that business. There are many hundreds of Yuon families in some villages, particularly in those on the banks of Mekong and Tonle Sap rivers; around lakes abounding with fish, and in provinces bordering on Vietnam. Those Yuon have well-organized networks, party chapters, Ho Chi Minh young pioneers alliances, women's associations, farmers' associations, and worker unions under the control and supervision of the Yuon communist party in Cambodia. Therefore, the Yuon aggressors' occupation of Cambodia via a military war or by means of sending their people in to swallow Cambodia are always within the framework of the Yuon strategy of Indochinese federation.

Given the grave danger to the Cambodian nation, people, and race, the Cambodian people and the Cambodian national resistance forces have categorically demanded that the withdrawal from Cambodia of all categories of Yuon aggressor forces be verified and the nonreturn of those forces under all appearances be prevented.

Can the issue of the Yuon war of aggression be settled by ignoring the problem of Yuon? No. If UNTAC [UN Transitional Authority in Cambodia] leaders and the group of treacherous alliances in and outside UNTAC continue to collude with the Yuon, the Paris accord will be held up for years no matter what. As for the Cambodian people and the Cambodian national resistance forces, they will not accept remaining with arms folded, allowing the Yuon to swallow Cambodia at will. Past history clearly shows that whenever aggressors and their puppets invaded and annexed Cambodia, the Cambodian nation and people were always united in carrying out a struggle, achieving successive victories in order to safeguard the survival of the Cambodian nation and people.

Kandal Province's People Object to SRV Presence

BK1311044492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 12 Nov 92

[Text] Our station has just received an open letter from people living along the Tonle Sap river in Kandal Province. The letter's content is as follows:

We were waiting for the Paris accord's implementation for one year with the hope that, via the implementation, the withdrawal from Cambodia of all Yuon [Vietnamese], including those living around the Tonle Sap river and in Kandal Province, would be verified. However, nobody came and verified the withdrawal of those Yuon from our localities at all. On the contrary, it is reported that UNTAC [UN Transitional Authority in Cambodia] has codified laws to protect the Yuon—by forbidding uttering the word Yuon—and to provide them with voting rights as well. Since then, a great many groups of Yuon have come to the Boeng Tonle Sap to build their houses on water or land. Those Yuon have autocratically controlled all fishing lots—before there were some Cambodians owning those lots but now there are only Yuon—and Cambodians are forbidden accesss to the areas.

We would like to emphatically ask UNTAC whether it is willing to solve the issue of Yuon or not. We wish to once and for all restate that the people in Kandal Province have already lost their patience.

Only after learning about the death of a Yuon do UNTAC and bad elements yell to the sky to protect the Yuon aggressors and indiscriminately hurl accusations against this or that person. However, why have UNTAC and others never uttered a single word about the killing of the Cambodian nation and millions of Cambodian people by the Yuon in the 14-year war of aggression? The UNTAC head is colluding with the Yuon in a flagrant fashion.

We, the people, no longer believe in UNTAC. We should depend on ourselves, our nation, and our people to carry on the struggle so as to chase the race-exterminating and annexationist Yuon to defend ourselves and safeguard the survival of our nation and race. This is the sacred right of the Cambodian people.

Indonesia

Minister Calls on PRC To Explain Arms Build-up

BK1311061892 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 13 Nov 92

[Text] Defense and Security Minister L.B. Murdani says Indonesia and the PRC have a moral responsiblity to maintain international and bilateral relations on the basis of the ten principles enunciated at the Bandung Conference in 1955. A dynamic environment has led to the development of Indonesian-PRC relations. Thus, the two sides are now challenged to further strengthen these

relations. L.B. Murdani was speaking in Jakarta yesterday at the Sino-Indonesian seminar organized by the Center for Strategic and International Studies and the Shanghai Institute for International Studies. He said that Indonesia and the PRC should further enhance economic cooperation to counter global economic trends and decisions made by the G-7, a group of seven industrialized nations.

[Hong Kong AFP in English at 0428 GMT on 13 November carries a Jakarta-datelined item which adds: "Indonesian Defence Minister Benny Murdani has said that more transparency was required from China on its military buildup if Beijing wanted to allay regional suspicions and fears.

["The Angkatan Bersenjata (AB) daily Friday quoted Murdani as saying in a seminar on Sino-Indonesian ties here that although China fully held the right to develop its own armed forces the way it wants, more transparency would help appease fears and suspicion in Asia that China may present a threat.

["The armed forces' daily quoted Murdani as citing the example of the lack of transparency in China's navy buildup and as saying that "this can lead towards the rise of the perception that threats will come from the north."

["He said such a navy buildup could lead to problems between China and South East Asia, which still had doubts as to the long-term intentions of Beijing over the region.

["China has been strengthening its garrisons in the Spratlys, a widely scattered group of small mostly barren islands and reefs in the South China Sea, where several other countries have yet unresolved overlapping claims.

["As well as China, Brunei, Malaysia, the Philippines, Taiwan and Vietnam have all staked claims, either in whole or in part, over the strategically located Spratlys which are believed to sit in an area that may be rich in oil and mineral resources."]

Alatas Views Foreign Visits to E. Timor

BK1211163092 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 12 Nov 92

[Text] Foreign Minister Ali Alatas says a visit to East Timor by any foreign delegation with a large number of delegates, especially that with an entourage of foreign journalists, tends to create upheaval, which is against the government's policy of maintaining order in the province. Speaking to reporters about the recent visit to East Timor by (William Ray), a former member of the UN Subcommittee on Human Rights, Minister Alatas said the government had no objection to the visit by the human rights expert because it was carried out in his personal capacity.

Minister Alatas noted the Indonesian Government had great regard for (Willian Ray) because he had given balanced views about the province following his visit. (Ray) told reporters that East Timor was actually not a major and important issue in the eyes of the international community and that he was impressed with the peaceful way of life of the East Timorese people following their integration into the Republic of Indonesia.

Alatas Hopes Unified Europe To Remain Open

BK1311074592 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 13 Nov 92

[Text] Indonesia hopes that efforts by European countries to establish a unified Europe will not lead to Eurocentricity, thereby turning Europe into a closed and protectionist region. Foreign Minister Ali Alatas expressed the hope in Jakarta last night during a hearing with House Commission I [in charge of foreign affairs, information, defense, and security]. Ali Alatas made the remarks in reply to a question by an MP regarding a meeting of the European Union to be held in Edinburgh in the second week of December to discuss a unified Europe and the Maastricht agreement.

Foreign Minister Ali Alatas said that the success of the meeting would determine the fate and future of a European single market. Indonesia and other developing nations hope that the European integration process will ensure opportunities for the enhancement of cooperation with its partners, particularly developing nations. The foreign minister hoped that a unified Europe would keep the European market open to Indonesia's products and ensure that Europe would remain a source of development funds, investment, and technology transfer.

Philippines

Military, Defense Officials Want MDT Modified

HK1311033192 Manila THE MANILA CHRONICLE in English 13 Nov 92 p 9

[Report by Frank Longid—italicized passages published in Tagalog]

[Text] Military and defense officials yesterday stressed that the "access" to Philippine sea and airports supposedly "granted" to the U.S. Armed Forces was no different from diplomatic privileges granted to any other country.

They also said they agreed with the Senate that the Mutual Defense Treaty [MDT] should be reviewed and modified to "correct some of its flaws."

Some of the officials, who asked not to be named, said the MDT should be amended in such a manner as to include the Spratly Islands in the Philippines' territory and introduce an automatic retaliatory clause.

A member of the Armed Forces joint staff said such a clause would have the advantage of "quicker action" in case of an attack. "Constitutional processes take too long," a high-ranking operations officer said.

But they also warned that if an automatic retaliatory clause would be included, "it could work both ways."

"Are we prepared to commit ourselves to automatic retaliation if U.S. forces in the Pacific are attacked? This is a question that our lawmakers and policymakers should answer before amending the MDT," the source said.

Armed Forces Chief Gen. Lisandro Abadia and Defense Secretary Renato de Villa said that at present, there was no need for a special access agreement since all the U.S. has so far asked for were the same types of privileges extended to other countries.

One military official pointed out that from 1988 to the present, more sea and aircraft from Singapore have been allowed access to the Philippines than those from the U.S.

Abadia and de Villa both said there was no such thing as a "special agreement" between the Philippines and U.S. in the recent meeting of the Mutual Defense Board [MDB].

De Villa said he and Abadia met with senators last Wednesday and explained "that there was no such thing as a new agreement between the chief of staff (Abadia) and Adm. Charles Larson. We were able to clarify that."

Larson is the Commander in Chief of U.S. Pacific Forces and the co-chairman, along with Abadia, of the MDB.

"We did not grant them anything that we do not grant other nations under Department of Foreign Affairs [DFA] Memorandum 3-65," an AFP [Armed Forces of the Philippines] joint staff officer who asked not to be named said.

The DFA memorandum dates back to 1965. It states the procedure for applying for flight and voyage clearance through the country: "Request for clearance through the country: "Request for clearance (six copies) will be submitted to the DFA through diplomatic or consular channels at least seven days before the intended arrival of the aircraft or vessel."

Clearance conditions include:

—Compliance with Philippine civil aviation and maritime laws, rules and regulations.
—Entry and departure of foreign aircraft, which should be made at the designated international airport only, and in the case of vessels, only at designated ports. [sentence as published]
—State aircraft flying and/or overflying the Philippines, which may be required to land at any designated airport. [sentence as published]

A source at the DFA provided the Chronicle with a list of all foreign ships and aircraft granted access to Philippine sea and air ports since 1988.

Aside from the U.S., Singapore (111 visits), Japan (55) and Australia (45) topped the list.

Access has also been granted to sea and aircraft from the Soviet Union (6 visits), China (5), Korea (3), Hungary (2), and Yugoslavia (2).

A ranking military officer yesterday said the memorandum's guidelines, "as implemented today," were even stricter than stated.

He said that while the memorandum called for a seven-day notice, "processing time can take as much as seven weeks, during which the DFA consults with the AFP and DND [Department of National Defense].

The intelligence plans and operations officers of the AFP and DND then evaluate the application and "reject or endorse it," depending on our assessments." [no opening quote as published]

He also said that visiting servicemen would be subject to Philippine laws and "will not be immune from our law enforcement agencies," a marked difference from the perception in the past when erring foreign servicemen had only to be assigned elsewhere outside the Philippines to escape punishment.

Gone also is the clause in the Mutual Bases Agreement [MBA] which grants U.S. forces "access to all sea and air ports accessed by our own armed forces," the officer said.

Under the MBA, the U.S. did not have to seek clearance to use Philippine ports or air strips, even if its aircraft or vessels were nuclear-powered or were carrying nuclear weapons. The only requirement was for the U.S. to inform the government of its use of the installations.

Today, only international ports of entry can be accessed by the U.S. or any other country, and clearance must be obtained from the DFA, which consults other government agencies on the matter.

AFP Deputy Chief for Plans Commodore Armando Madamba said future RP [Republic of the Philippines]-U.S. military relations would be even better. "*It will be better, because we will be on an equal footing.* We will be in a position where we can mutually respect each other."

An officer who overheard him say this at the DND's 50th anniversary yesterday quipped: "*It will not be like before when one country was apparently subservient.*" He refused to explain what he meant by his remark.

Air Force To Build Up Cubi Point Unit

HK1311092792 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 13 Nov 92

[Text] The 650th Air Support Group in Cubi Point, Zambales, is expected to be beefed up by 24 November. The unit will be headed by Colonel Juanito Malto of the Philippine Air Force [PAF].

Brigadier General Mando Madamba said that, under the plans and programs of the Armed Forces of the Philippines, the group's mission includes planning, control, and management of the tactical air services of the Armed Forces.

At the same time, the PAF is readying the planes to be used by the group in its operations.

Police Tighten Security Around Foreign Embassies

HK1111013292 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Nov 92

[Text] The Philippine National Police [PNP] will tighten security around foreign embassies in response to the threat of the Red Scorpion Group. Alfredo de Leon, leader of the group, has threatened to blow up several embassies if the government continues harassing his relatives.

Raul Imperial, director general of the PNP, said additional policemen, including undercover agents, will be assigned to the embassies. Security for ambassadors will also be beefed up to prevent attacks by the group.

The PNP is undertaking an operation to locate and arrest De Leon, who is said to be responsible for the kidnapping of U.S. businessman Michael Barnes.

Meanwhile, Imperial also put the whole PNP on alert due to the resurgence of insurgency in the provinces and Metro Manila. This resurgence is possible, he said, because of the ongoing peace negotiations.

In an interview with reporters at Camp Crame after taking his oath in Malacanang as PNP chief, he said it is possible that the Communist Party of the Philippines and the New People's Army will step up their activites in Metro Manila. He has ordered all PNP unit commanders in Metro Manila to alert their men.

[Begin Imperial recording in English] We have accordingly warned our Metro Manila units to be on the lookout for this possible resurgence. We have anticipated that. [end recording]

Government To Receive $50 Million Loan from U.S.

HK1311123492 Quezon City ABC-DWET Television in Tagalog 1000 GMT 13 Nov 92

[Text] The United States has approved a $53 million loan to the Philippines. President Fidel Ramos today ordered Agriculture Secretary Roberto Sebastian and Finance Secretary Ramon del Rosario to coordinate with the U.S. Embassy so that the proceeds of the loan can be put to use. Of the total, $40 million will be spent on the livestock industry, while $13 million will use used to buy rice for Mt. Pinatubo victims.

Permanent Ambassador to UN Confirmed

HK1111134692 Quezon City ABC-DWET Television in Tagalog 1000 GMT 11 Nov 92

[Text] Under Secretary Lilia Bautista of the Department of Trade and Industry is the new permanent Philippine ambassador to the United Nations in Geneva, Switzerland. Bautista was confirmed by the Commission on Appointments this morning. She is the first ambassador in the administration of President Fidel V. Ramos to be confirmed by the commission. Senator Blas F. Ople praised Bautista as an expert in trade negotiations. Bautista was the Philippine representative in the GATT negotiations in Uruguay.

Stresses Ending Trade Wars

HK1311033892 Quezon City ABC-DWET Television in English 1300 GMT 12 Nov 92

[Text] Trade wars should be avoided at all costs. Newly designated ambassador to the United Nations in Geneva, Lilia Bautista, stressed this today in a news conference at the Department of Trade. Bautista is preparing to assume her new post where she will take on an active role in GATT, the world trade agency. Bautista said she will defend the country's trade policy.

In the GATT review of the Philippines, Bautista revealed she will update trade negotiators on the progress being made on several trade issues. Among these issues are the unequal treatment of local and foreign brands of cigarettes, the abolition of the home consumption value and in its place establishing the transaction valuation method, and the tariff reform program.

[Begin Bautista recording, in progress] ...the country. We should be able to participate in this rule-making. We don't intend that only those who have more or who have the economic clout should dictate those rules. It is but fair that we, no matter how small we are, should be able to participate in that rule-making. [end recording]

Rebel Leader Zumel Said Ready To Surface

HK1311045792 Hong Kong AFP in English 0445 GMT 13 Nov 92

[Text] Manila, Nov 13 (AFP)—The Philippines' highest ranking military rebel is set to end more than six years in hiding, paving the way for peace talks with the government which could start before the end of the year, Manila's chief negotiator said here Friday.

"I confirm the possibility that Brigadier General Jose Maria Zumel might surface soon to pursue the peace process," Haydee Yorac, the head of the government's National Unification Commission (NUC), told a news conference.

She said the NUC was also establishing contacts with leaders of the communist and Moslem separatist insurgencies, and she was optimistic that formal negotiations for the political settlement of those conflicts could commence by early next year.

Zumel was believed to have led an abortive July 1986 coup attempt designed to return to power the dictator Ferdinand Marcos, who had been deposed in a February 1986 popular revolt that sent him to exile in Hawaii. The military said Zumel's pro-Marcos forces later teamed up with the Reform the Armed Forces Movement (RAM) led by cashiered army colonel Gregorio Honasan and another military group, the Young Officers Union (YOU), in mounting a December 1989 putsch that almost toppled then-president Corazon Aquino. Yorac said she had held extensive talks with Zumel.

who heads the rebel Soldiers of the Filipino People (SFP), over the past two days and she saw no obstacles to his surfacing, adding that his action was not to be construed as "surrender."

The NUC head said six RAM leaders were now holding government-issued safe-conduct passes. "We are very optimistic that before the end of the year, we will start talks with the RAM-SFP-YOU group."

President Fidel Ramos formed the NUC soon after assuming office on June 30 to advise him on his plan to negotiate a political settlement with the three rebel groups which posed the biggest threat to the country's stability.

Yorac said she expected separate formal peace talks with the Communist Party of the Philippines (CPP) and its New People's Army (NPA), the separatist Moro National Liberation Front (MNLF) and one breakaway faction, and the military rebels to start by early next year. However, developments "might go forward" at a more rapid pace which would force Ramos to form negotiating panels with any of the three groups before the end of the year.

Yorac said the peace talks were aimed at producing a "peace settlement and amnesty" that will be "honorable and consistent" with the ideals championed by the insurgents. "There will be no requirement of surrender," but the settlement will include the disposition of the armed forces of these groups, she added.

Yorac rejected calls by some legislators for Manila to declare a 14-day unilateral Christmas truce, citing the failed peace talks with the communists initiated by Aquino in 1986, during which both sides used the negotiations to accuse each other of truce violations. She said the communists have indicated to her that "they are not prepared to respond in kind," and that declaring a one-sided ceasefire "might even prejudice the peace process."

The CPP-NPA have been waging a 23-year-old guerrilla war. The MNLF, led by exiled leader Nur Misuari, led a bloody but abortive war for independence of this Roman Catholic nation's large, southern-based Moslem minority in the 1970s.

The RAM-SFP-YOU cabal, led for the most part by young, disaffected military officers, mounted seven coup attempts and other armed risings among them during the term of Ramos' predecessor Aquino. The last putsch in 1989 putsch was put down with the aid of U.S. fighter jets.

NUC Chief Confirms Rebels' Plan To Surface

HK1311095292 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Nov 92

[Text] National Unification Commission [NUC] chairperson Haydee Yorac has formally announced the possibility for former Colonel Gregorio Honasan and General Jose Maria Zumel to surface before the end of the year to participate in the peace initiative launched by the Ramos administration.

Chairperson Yorac said the oncoming appearance of Honasan and Zumel in public only signifies that the Filipinos' long-time desire for an end to rebellion and battle between Filipinos will soon be achieved.

Government forces have frequently fought against communist rebels, the Moro National Liberation Front [MNLF], and rightist rebels.

On the government's negotiation with the MNLF and the Moro Islamic Liberation Front, Yorac said she will talk to Hashim Salamat and Nur Misuari's representatives within the next two weeks to discuss the agenda for the coming peace talks.

In this regard, Yorac confirmed Misuari has agreed to hold peace talks with the government in the country.

Communist Rebels in N. Mindanao Propose Talks

HK1311062292 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 13 Nov 92

[Text] Communist rebels in northern Mindanao have expressed support for the peace and amnesty offer by the administration of President Fidel V. Ramos.

The military said members of the Communist Party-New People's Army-Northern Mindanao Revolutionary Committee have proposed that talks be held between their leaders and officials of the government and non-governmental organizations.

Brigadier General Romeo Padiernos, Armed Forces Civil Relations Service chief, said the rebels want to convert Andap Valley in Surigao del Sur into a rehabilitation site if the proposed dialogue succeeds.

Ramos Favors Christmas Cease-Fire Against Rebels

HK1311101392 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Nov 92

[Text] President Fidel V. Ramos today supported the suspension of military operations against communist rebels during the Christmas season. Nevertheless, President Ramos refused to call this a unilateral ceasefire.

Presidential Spokesperson Annabelle Abaya said the president is waiting for the recommendation of Defense Secretary Renato de Villa on how long the military operations will be suspended.

The Aquino administration suspended military operations against communist rebels the days before and after Christmas and New Year's Day.

Malacanang made this announcement amid the clamor from various sectors for the government to implement a ceasefire during the yuletide season.

Abaya said President Ramos supports the idea of allowing the rebels to rejoin their families during the season.

9.4 Percent Growth in Exports Registered

HK1211090592 Manila BUSINESS WORLD in English 12 Nov 92 p 18

[Text] The country's export sector continues to post modest earnings despite volatile movements in the peso-dollar foreign exchange market.

Statistics obtained from the Central bank show export gains still grew 9.4 percent to $6.28 billion in the period covering January-August 1992 from $5.74 billion in the same period last year.

Top Ten

Earnings from the country's ten principal exports grew as much as 18.7 percent to $2.06 billion during the first eight months of the year from $2.19 billion in the same period of 1991. About 41 percent of aggregate export earnings came from top ten export earnings. Earnings from other exports went up to $3.68 billion from $3.55 billion.

Export of coconut oil (crude and refined) showed much improvement from January to August. Earnings from coconut oil grew as much as 67 percent to $282.60 million from $168.91 million. The product climbed four notches to become the second largest export.

The third largest export, electronic microcircuits, also proved to be bullish vis-a-vis the previous year. Export earnings from the product posted a substantial growth of 59 percent to $263.16 million from $165.98 million. The product was only the eighth largest export as of end-August last year.

Export earnings from the garment sector posted modest growths. For instance, earnings from consigned children's and infants' wear grew 5.2 percent to $225.18 million from $214.06 million.

On the other hand, earnings from two exports registered declines in the first seven months of 1992 vis-a-vis the same period last year. These are semiconductor devices and finished electrical and electronic machinery. Export earnings from semiconductor devices (which have been the banner exports of the country) dropped 1.2 percent to $550.54 million from $557.11 million. Earnings from the finished electrical & electronic machinery dropped to $261.05 million from $268.31 million. In addition, the product, which ranked second in the top ten exports last year, ranked fourth this year.

Meanwhile, the country's trade gap widened, amounting to $2.97 billion from January to August, compared with $2.19 billion in the same period last year. This was a result of increased imports during the period due the lifting of the import levy an the peso's appreciation. Total imports grew 17 percent to $9.25 billion from $7.93 billion.

Top Ten ExportsJanuary to August 1992 & 1991
(in thousand U.S. dollars)

	1992	1991
Total Exports	6,284,273	5,740,968
Ten Principal Exports	2,603,867	2,192,511
1. Semi-conductor devices	550,536	557,110
2. Coconut oil (crude and refined)	282,595	168,913
3. Electronic microcircuits	263,160	165,981
4. Finished electrical and electronic machinery and parts manufactured from materials imported on consignment	261,049	268,311
5. Consigned women's wear	255,679	221,522
6. Consigned children's and infants' wear	225,184	214,055
7. Articles of apparel of textile fabrics	224,750	166,968
8. Consigned men's wear	213,617	179,159
9. Ignition wiring sets	164,227	107,890
10. Copper Metal	163,070	142,602
Others	3,680,406	3,548,457

Source: Central Bank

Government To Increase Spending on Economy

HK1111143592 Manila PHILIPPINE DAILY INQUIRER in English 11 Nov 92 p 17

[Text] In a last-gasp attempt to spring some life into the anemic economy, the government is set to spend P4 billion [Philippine pesos] more in the last seven weeks of the year for public works projects and the rehabilitation of areas devastated by Mount Pinatubo.

The increased spending will inflate by P5 billion the expected P9 billion deficit, but is within the P21.9-billion ceiling for public sector borrowing requirement for 1992 committed by the Ramos government to the International Monetary Fund, a top finance official said.

The public sector borrowing requirement refers to the loans the government may incur to finance its expenditures.

The official, who spoke on condition of anonymity, said the P2 billion of the P4 billion will be spent for roads and bridges, P500 million for rehabilitation of areas around Mount Pinatubo, and the balance for other government projects.

Latest figures show that the national government had already incurred a deficit of P5.7 billion as of the end of September.

Despite the increased spending, the government would be able to stick to the deficit ceiling because of some offsetting factors such as the surplus posted by the Oil Price Stabilization Fund [OPSF], which as of end of August stood at P7 billion, the official said.

The OPSF had earlier been projected to incur a deficit of P2 billion for the whole of 1992.

The good news of the OPSF surplus was, however, offset by the bad news on the revenue collection front. The official said that both the Bureau of Internal Revenue and the Bureau of Customs have not been able to meet their respective revenue targets.

The power crisis has also contributed to the collection shortfall by way of reduced business activity, he added.

"The economy is not moving in the right direction and collections are low," the official said.

To top the bleak economic prospects, the financial managers of the Ramos administration has appeared to have also slipped in their inflation target of seven percent for the whole year. The most likely average for the inflation for 1992 is 8.7 percent, the official said.

The gross national product, or the total output of goods and services over a given period, is still expected to grow by 2.0 percent for 1992, he added.

Official Says Taiwan Trip May Offend PRC

HK1211090892 Manila PHILIPPINE DAILY INQUIRER in English 12 Nov 92 pp 1, 12

[Report by Cynthia Balana and Christine Avendano]

[Text] The government may have violated its "One-China" policy by authorizing last week's trip of 14 top officials of the Department of Trade and Industry, [DTI] including DTI Undersecretary Tomas Alcantara, to Taiwan, a top official of the Department of Foreign Affairs [DFA] said yesterday.

President Ramos, meanwhile, formed a three-man mission to Taiwan to assist Filipino workers allegedly being maltreated by their employers.

The DFA official, who asked not to be identified, acknowledged that the week-long visit of DTI officials was "official in nature," adding that the foreign office was expecting "some negative reactions" from the Chinese government.

Beijing had earlier expressed "serious concern" over the growing number of Philippine officials visiting Taipei in spite of a ban imposed by Malacanang in 1989.

The Philippines broke diplomatic relations with Taiwan when it established formal ties with China and adopted a "One-China" policy in 1975.

The DTI officials were reportedly discussing with Taiwanese groups investment plans for the commercial and industrial complex to be set up at the former U.S. naval facility in Subic, among other things.

In Malacanang, the President told a news conference that the mission would not be an irritant to the country's relations with either Taipei or Beijing.

He cited the improving relations between China and Taiwan, including increased technical exchanges and investments.

"You know our first guide is to observe, consult in regard to what Taiwan and the People's Republic of China are doing. I think that's our best guide so as there is no investment from one side to the other. It is a two-way thing I understand," Mr. Ramos said.

He said he was acting on a report by Labor Secretary Nieves Confesor on the rising number of Filipino fishermen entering Taiwan illegally via Aparri in Cagayan Valley.

The mission, which will leave for Taipei next week, is composed of officials of the Department of Labor and Employment, the Office of the President and the private sector. The President did not name the officials.

Catholic Church groups have denounced the "detestable abuses" of Filipinos working on Taiwanese fishing boats.

The Filipinos were reportedly forced to work 17 hours a day, given little food and water, sometimes beaten up and paid very low wages.

Confesor also cited a report from Jaoquin Roces, head of the Philippine liaison office in Taipei, that at least four Filipino workers have been killed for the past two years.

She said the mission would work to "arrange for the orderly deployment" of workers to Taiwan.

It would also work for the repatriation of Filipino fishermen and other workers who were unable to avail themselves of the amnesty given by Taipei for illegal aliens.

Only 4,000 Filipinos were able to receive amnesty, an offer which ended last July. Confesor said there may still be around 12,000 Filipinos without work permits in Taiwan.

Thailand

Clash Expected With 'Fanatical' Karen Group

BK1311022392 Bangkok BANGKOK POST in English 13 Nov 92 p 1

[Text] Border Patrol Police [BPP] are expected to clash shortly with the fanatical Karen cultists who are believed to have attacked government installations in Umphang District of Tak Province, Deputy Police Director General Manat Krutchaiyant said yesterday.

He said police are in hot pursuit of the cultists and would soon catch up with them .

Pol Gen Manat disclosed that the cult leader, whom he identified as Thi Liang Eng, was now fleeing from Tak towards Kanchanaburi with about 100 of his most devout followers.

He said that Thi Liang Eng has between 700-800 followers under his control with many of them armed.

The cultists were responsible for the surprise attack on a Border Patrol Police outpost in Mae Chantha, of Umphang District in Tak, which left five policemen and one villager dead, all from knife wounds.

Two policemen were also injured and another is still missing. Three Thai villagers were earlier slain by the cultists.

Pol Gen Manat recounted that several policemen had just got up and were preparing breakfast when the cultists, whom the policemen thought to be simple villagers, launched their attack.

The deputy police chief charged that the cult leader intended to set up an independent state and to establish himself as the leader of Karens taking refuge in the vast Thung Yai-Huay Kha Khaeng wildlife sanctuary which straddles Tak, Kanchanaburi and Uthai Thani provinces.

Pol Gen Manat said these cultists do not raise animals, but hunt wild animals for their meat to demonstrate their "masculinity." These cultists, he said, were in conflict with another Karen group who were living in the sanctuary before them.

When the BPP men and forestry officials tried to mediate in the conflict, they were mistaken by the cultists as being in favour of the other Karen group, Pol Gen Manat said, adding that the attack might also stem from the cultists' dissatisfaction over the forestry officials' hunting ban.

The cult leader, he alleged, used to be a communist guerrilla and led the attack against the BPP outpost on Monday.

The deputy police chief went on to say that the Government would not allow the cultists to become an armed force that would pose a bigger problem in the future.

He said he had given full authority for the pursuing BPP men to take decisive action against the cultists who, he noted, are not expected to surrender or compromise easily.

Columnist Examines Policy Toward Khmer Rouge

BK1311020192 Bangkok THE NATION in English 13 Nov 92 p A6

[By Kawi Chongkittawon]

[Text] In the past weeks, almost all Thai leaders, whether civilian or military, said that there were three important issues that need to be addressed first before United Nations' economic sanctions against the Khmer Rouge were imposed.

Firstly, they unanimously agreed that it was very difficult to monitor the Thai-Cambodian border, especially to enforce its complete seal-off from the Khmer Rouge. Secondly, they pointed out that any economic sanctions against the Khmer Rouge would not work because of the guerrilla group's self-reliance and thirdly they said Thailand would abide by the UN decision only when it does not go against Thai laws.

These half-hearted approaches by Thailand to the crucial period of the peace settlement in Cambodia are very disappointing given Bangkok's earlier pledges to cooperate with the the world body.

So far the Maoist guerrilla group has refused to cooperate in the UN-brokered peace agreement on Cambodia which they signed in Paris last October. The Khmer Rouge have yet to disarm their troops in accordance with Phase II of the UN plan which was implemented in mid-June and have refused UN peacekeepers access to their controlled zones.

Talks in Beijing last weekend organized by the co-chairmen of Paris International Conference in Cambodia (France and Indonesia), seen as crucial to persuade the Khmer Rouge to lay down their arms, collapsed when the guerrillas refused to budge. The UN Security Council will on November 15 decide what further line of action to take against the Khmer Rouge, and total sanctions together with a sealing of the Cambodian border with Thailand are strong possibilities.

Army Chief Gen Wimon Wongwanit has commented almost daily on the issue and repeatedly said that there was no use in imposing economic sanctions against the Khmer Rouge because they would be able to survive without outside help. At one point, he even ridiculed US calls for sanctions saying "New Yorkers would just die without two days of electricity, unlike the Khmer Rouge, who can live".

Equally disappointing were comments made by Prime Minister Chuan Likphai and Foreign Minister Prasong Sunsiri to the effect that if the UN economic measures came about, Thailand would have to study the details first before proceeding with cooperation.

It was Prasong who said that Thailand must make sure the UN sanctions do not "go against" Thai laws. For instance he said, Thailand would not be able to freeze the Khmer Rouge's money made from Thai traders and deposited in Thai banks.

There is a certain element of truth when Thai leaders say the Khmer Rouge would not be affected by an economic embargo because they have survived all this while with very little contact with the outside world. As it is right now, the guerrillas have been long trading with Thailand and both parties have very good rapport as far as money and politics are concerned. To the policy makers here, severing ties with the Khmer Rouge is next to impossible.

However, listening to the top brass making comments that the Thai military would not be able to monitor its

eastern flank is a bit worrisome, bearing the fact that Thailand's border in that area is under martial law and under full military control.

Even without the sanctions, Thailand must always be on guard against any potential threat from any intruders, no matter which corner of Thailand's frontier is involved, and more so along Trat and Chantaburi provinces, where most cross-border trade contacts occur.

Indeed, the planned UN sanctions not only are aimed solely at the Khmer Rouge but are also directed against Thailand as well because of the country's vast trading interest with the guerrilla group. To the world community, Thailand is the main culprit that has been propping up the Maoist group.

Realizing this intention of the UN, virtually all Thai officials have tried to discourage the world body from imposing sanctions, knowing fully well that Thailand would be damaged more than the Khmer Rouge.

Given the volatile political situation at home, it is very unlikely that the UN sanctions—either restrictively or extensively applied—would receive full cooperation from Thailand.

MP Thanit Traiwut, a well known trader with the Khmer Rouge who is also one of opposition Chat Phatthana Party leaders, has made his position clear that Thailand should not heed the UN order because very high stakes to the detriment of the country would be involved. He said Thai businessmen had invested over Baht 10 billion worth of capital and machinery in the gems and logging trade. Worse still, he added that about 100,000 Thai workers in various gem mines would be hurt if the sanctions were implemented.

Even Prasong, who has gained popularity with his no-nonsense comments on the Khmer Rouge during the past years has softened his position.

All things considered, it just boils down to one important aspect of current Thai-Khmer Rouge ties: there is still the strongly held belief by top policymakers in this country that the Marxist group will overrun Cambodia in the future either through political or military means.

They are also convinced that the Khmer Rouge are in Cambodia to stay and any moves by Thailand against the guerrillas to weaken their position could jeopardize Thai security. Being forced into a corner, the most cited fear is the possible Khmer Rouge attacks on Thai villagers as the guerrillas had done in the past and forays across the border to steal and loot.

From the military point of view, maintaining the status quo with the Khmer Rouge is the best thing Thailand can do now. Any change in Thai policy toward the Khmer Rouge would bring about uncertainties and could cause disunity within the govemment as well as have far-reaching repercussions.

Sad but true, Thais are more comfortable in dealing with the Khmer Rouge and heeding their words in their encounters with the Cambodian factions let alone the UN.

True to the country's "win-all" strategy, Thailand has intensified its effort to cultivate closer ties with Phnom Penh apart from the resistance factions. With this strategy, it helps explain why Thailand continues to pursue such a policy and does not have an altemative line of action on Cambodia that would wean Bangkok away from the Khmer Rouge to enable full cooperation with the United Nations and world community in bringing about genuine peace in the Indochinese country.

In coming weeks, Thailand's sincerity will be tested. Any action that is short of full cooperation with UN sanctions against the Khmer Rouge would demonstrate once again Bangkok's hypocrisy towards the Cambodian peace settlement.

Delay in Cambodian Elections Favored

BK1311020592 Bangkok BANGKOK POST in English 13 Nov 92 p 6

[Text] Thailand would like differences to be solved before the United Nations organises general elections in Cambodia, Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat said yesterday.

Other Asian countries were in favour of this course of action, said Mr Sarot who indicated that he would be in favour of the elections being delayed in order to obtain a settlement necessary to ensure lasting peace in this region.

The senior government official affirmed that there is a possibility of a new round of fighting breaking out if differences among Cambodian factions are not settled before the general elections. The UN plans to hold general elections in Cambodia by May 1993 at the latest.

Mr Sarot made the comments at a press conference on the deadlock in the Cambodian peace process which is stemming from the Khmer Rouge's refusal to disarm according to the agreement signed in Paris a year ago.

Mr Sarot was Thailand's representative at last weekend's international meeting in Beijing that failed to persuade the guerrilla faction to return to the path to peace.

Thailand is opposed to the stance maintained by the Khmer Rouge, Mr Sarot pointed out.

"I told Mr Khieu Samphan after the meeting that we are sorry, that (he) should continue efforts under the new system of government," he added.

During the meeting Mr Sarot urged the guerrillas to cooperate with the international effort to rebuild peace in their war-torn country.

"How can peace be obtained unless every single faction helps make it happen," he said.

The Beijing talks were convened by Indonesian Foreign Minister Ali Alatas and French Foreign Minister Roland Dumas, as co-chairmen of the Paris International Conference on Cambodia (PICC). The Khmer Rouge made it clear to the PICC co-chairmen that the return to the disarmament phase depended on their conditions that the Supreme National Council (SNC) of Cambodia be strengthened and that the departure and nonreturn of "foreign troops" be verified.

Mr Sarot urged the guerrillas to join the peace process rather than persist with their demands.

"Thailand thinks that the Paris agreement is the best framework in view of this circumstance," he reiterated.

The PICC co-chairmen are due to report the outcome of the Beijing talks to UN Secretary-General Butros Butros Ghali by Sunday, November 15, at the latest. Mr Butros Ghali in turn will report to the UN Security Council which is expected to meet in New York next week.

The UN Security Council is expected to step up pressure on the Khmer Rouge guerrillas. Mr Sarot urged the council to consult Thailand before issuing any resolution as it stands to be directly affected.

Moreover, if the resolution fails to be effective or practicable, Thailand stands to be blamed because of its geopolitical position, he added.

Thailand will respect the UN's resolution provided it safeguards the country's sovereignty, he said.

Mr Sarot stressed that Thailand is against the UN imposing blanket trade sanctions against the Khmer Rouge because it will isolate them and pressure them to resort to military means.

But many participants in the Beijing talks said Thailand had already been given a chance to persuade the Khmer Rouge and that the time had come to "punish" that particular guerrilla faction, he added.

"Punishment should be in appropriate degrees," he said, suggesting that "at least the door should be left open for them (the Khmer Rouge)."

Thailand has been assured that the UN will not activate Article 7 of the UN charter, which empowers the world body to resort to the use of force to solve conflicts, he pointed out.

"Many countries agree that the situation is too critical for the measure to be applied," he added.

He stressed the importance of settling differences between the Cambodian factions before elections in order to ensure lasting peace in this region.

Phaitun Meets PRC Deputy Textiles Minister

BK0711053292 Bangkok THE NATION in English 7 Nov 92 p B2

[By Atchara Phongwutthitham]

[Text] Thailand's success in garment and textiles manufacture has prompted China to investigate the possibility of investing in a joint venture with the Thai private sector.

China will supply the raw materials. The investment will provide an opportunity for exports both worldwide and to China, said Phaitun Kaeothong, Deputy Commerce Minister.

Phaitun yesterday met Liu Heng, the Chinese deputy minister for textiles. He quoted the Chinese minister as saying that Thailand has been successful in garment and textile exports and has the technology. Thus the two nations should cooperate.

China wants Thailand to act as the manufacturing base. China will provide raw materials such as fabric, thread and silk, thus giving Thailand the edge on cost competitiveness.

Phaitun asked his counterpart to consider buying more Thai garments rather than importing from Korea. This would also help Thailand bridge its trade deficit with China.

Deputy Minister on Crown Prince's PRC Visit

BK0611144592 Bangkok Voice of Free Asia in Thai 1030 GMT 6 Nov 92

[Text] At 1100 today, Deputy Foreign Minister Surin Phitsuwan held a news conference on results of Crown Prince Maha Wachiralongkon's visit to the PRC. Surin said the Chinese Government had accorded great honor and a warm welcome to the crown prince who represented his majesty the king in the visit. This is the crown prince's third visit to China. He visited the capitals of Tibet and Xinjiang, where the cultures are different from the other parts of China.

Surin said the crown prince met Chinese leaders, including the Chinese president, the prime minister, and the deputy foreign minister, in Beijing. Major topics of discussions were on bilateral relations in general. There was no particular issue raised for discussion. It is noticeable that the Chinese Government has attached greater importance to Sino-Thai relations. China gives priority to economic development, including improvement of the people's well being. There are improvement in investment, tourism, and national development. China has tried to give more opportunities for investors and tourists to invest in the country. This is a good sign for ties between the two countries.

Crown Prince To Visit SRV 15-20 Nov

BK1211141292 Bangkok Radio Thailand Network in Thai 1200 GMT 12 Nov 92

[Text] The Royal Household Bureau has announced that Crown Prince Maha Wachiralongkon, representing his majesty the king, will pay an official visit to the SRV from 15 to 20 November at the invitation of the SRV president. During the trip, the crown prince will visit Hanoi and Ho Chi Minh City to visit places of religious, historical, and cultural importance as well as military and national development projects such as energy, industrial, and agricultural activities. While in Hanoi, the crown prince will meet the SRV president who will host a dinner in his honor on 15 November. The crown prince will also meet Thai residents living in Ho Chi Minh City on 20 November.

The crown prince's visit to the SRV will not only help strengthen relations between Thailand and the SRV but will also promote frienship and understanding between the two peoples.

The crown prince will leave Don Muang Airport at 1330 on 15 November aboard an Air Force special plane. He will return on 20 November and will arrive at the airport at 1700.

Army Chief Backs Study on Coups Prevention

BK0611013992 Bangkok BANGKOK POST in English 6 Nov 92 p 6

[Text] Army Commander-in-Chief Gen Wimon Wongwanit yesterday backed moves by a House subittee to study ways to prevent coup d'etat.

"I think it is a good idea," said Gen Wimon, but added he still believed no one would stage a coup if most politicians were good and devoted their efforts to the well-being of the people "because that is already a protective shield".

The army chief said he did not think the idea of studying ways to prevent coups should be regarded as a means of putting pressure on the military.

"Whatever it is I don't believe there will be coups if everyone works for the public interest. No one can resist public aspirations. We, the military, don't feel it is an insult," he said.

Air Force Commander-in-Chief, ACM [Air Chief Marshal] Kan Phimanthlp sald separately he did not think there would be any more coups and therefore felt insulted by the House sub-committee move.

On Wednesday Gene Sharp, senior scholar-in-residence at the Albert Einstein Institution, recommended legal measures to assist preparations in preventing or defeating an attempted coup.

His recommendations appear in a paper presented to the House committee on anti-coup legislation.

The recommendations include:

The adoption with implementing legislation of a constitutional provision so no Thai citizen of any status, role or position in the society whatsoever has the right to accept as legitimate any persons or group which have conducted a coup d'etat.

The enactment of specific laws to implement the constitutional provision to make it a legal obligation of all members of the police and military to swear not only allegiance to the constitutional government, but to pledge to refuse to participate in any conspiracy to organise a coup.

The enactment of specific laws which would require all government employees and civil servants to refuse any cooperation with, and obedience to, coup makers.

The enactment of specific laws which would require financial and business institutions to refuse to have any financial relations with coup makers.

Bank of Thailand Predicts Growth, Inflation Rates

BK0711054292 Bangkok THE NATION in English 7 Nov 92 p 22

[By Surachi Chuphaka]

[Text] The Bank of Thailand has predicted that the economy next year will grow eight per cent with an inflation rate of 4.7 per cent and current account deficit of 7.2 per cent of the gross domestic products (GDP).

The central bank presented the latest economic projections for 1993 to top economic ministers of the Chuan government on Thursday.

The economy is predicted this year to grow by 7.5 per cent.

The inflation rate next year is revised up 0.2 of a percentage point to reflect anticipation of higher investment and more demand for money. "It is nothing to be concerned about," said Wichit Suphinit, governor of the Bank of Thailand.

With the current account deficit projected next year at 7.2 per cent of the GDP (compared to 7 per cent of the GDP this year), Wichit said the macroeconomic picture of the country is sound. The Bank of Thailand will continue with the liberal monetary policy of allowing the market forces to dictate.

Tax incentives will be used to attract foreign funds to help boost the domestic investment, he said.

Deputy Governor Roengchai Marakanon said the central bank has anticipated higher economic growth for 1993 since US president-elect Bill Clinton is expected to adopt measures to make the American economy more active. The US economy is expected to grow two per cent this year and three per cent in 1993.

Improved US economy is expected to lead to higher Thai exports in 1994 taking account of the time lag.

Thai exports have been growing at about 17 per cent due to the ability to penetrate new markets such as the Middle East. Exports to Europe remain stagnant. "Exports will also grow in 1994 as the new Exim Bank is expected to be in place by then," he said.

The higher economic growth next year was also forecast based on the end of problems associated with the implementation of the value added tax.

Deputy Prime Minister Dr Suphachai Phanichpak welcomed the central bank projections but added that he believed that the inflation rate may be higher than projected. He said the current account deficit should be followed closely.

The budget deficit in 1993 will have minimal or no impacts on inflation as the amount is very small.

Wichit said the government wanted to see more competition among banks to help lower the interest rates and spread more credit to the provinces.

The central bank suggested to the government to increase infrastructure investment investment [as published] in the provinces.

Official on Plan To Lead in Regional Finance

BK0711062292 Bangkok THE NATION in English 7 Nov 92 p B4

["Excerpts" from a speech by Siri Kancharoendi, assistant governor of the Bank of Thailand, before the Committee of Financial Technical Assistance in Asia, Institute of Global Financial Studies, and Foundation of Advanced Information and Research in Tokyo on 4-5 November]

[Text] 'To move forward into the next stage, the 7th Development Plan, for 1992-1996, sets the goal for Thailand to become the centre for trade, investment and finance for the Indochina region. It also envisions a new stage of development, where economic base will undergo further diversification. Activities will expand into the area of the production of capital goods, raw material import-substitutes, and high quality services—and particularly relevant to us here—it looks to turning the financial services industry into another growth sector of the economy.

According to this, the main features of the economy that we can expect to see are: First, the emphasis will be on expanding trade with countries in the region, namely Asean and Indochina, as well as with other emerging markets. This will be supported by further economic reform to improve the competiveness. During the past two years we have substantially strengthened the efficiency and competitiveness of our private sector—by a major fiscal reform which includes: the introduction of the value-added tax; the reduction of corporate and personal income tax; and an extensive reduction of import duties on machineries and raw materials. We have also opened access to new entries in major industries.

Second, there will also be more onward investment by the Thais into both developing as well as developed countries. This will enable us to fully utilize the strength we have built up in terms of production expertise and market network, to benefit from lower raw material and production cost, as well as to play a part in helping the market reform in Indochina. As regard the expansion of our investment to developed countries, our strategy would focus on expanding our market network taking into consideration the formation of new trading blocks in major parts of the world.

As you can see, this sets the stage for a far reaching change, and we need to improve the efficiency of our overall economic system by economic reform to unleash the dynamism of the private sector. In this context, the financial sector reform serves three crucial roles. First, it must be able to serve the growing demand from the other economic sectors, by not only efficiently allocating investment fund, but also providing financial expertise and information, that will aid business investment and management in an increasingly complex and sophisticated environment. Second, the financial sector constitutes a crucial mechanism that will support our outward investment. Third, as I have mentioned earlier, the financial services industry is targeted to become a new growth industry, able to compete at international level as successfully as our manufactured exports have—and to establish the country as a regional financial centre.

The financial sector reform encompasses liberalization and the creation of financial infrastructure to support developments of more sophisticated financial instruments and services, to improve efficiency of the financial system. A master plan was set out in the current Bank of Thailand's three year plan, beginning in 1990 and ending this year. I am pleased to be able to say that up to now there has been a substantial progress in almost all fronts.

On financial liberalization, we have made a substantial progress in deregulating the financial system to improve its efficiency and to allow for a greater market role. Interest rate liberalization began in 1989 and was completed in June this year when all interest rate ceilings have been abolished. In relation to this, rules and regulations on portfolio management have been greatly relaxed. The compulsory bond holding requirement for commercial banks' branching have been substantially reduced, and we plan to abolish this in the future. This is done in order to ensure that financial institutions can manage their portfolio flexibly, efficiently and with return according to market signals.

Continued liberalization of exchange control has been on going since Thailand accepted Article VIII of ths IMF in 1989. At the present, we have virtually almost no

exchange control, all current transactions can be conducted freely. The only remaining control applies to capital outflow of Thais for portfolio and property investment, and for outward direct investment over US$5 million. Moreover, the baht flows for transaction with neighbouring countries and our Asean colleagues have also been liberalized to accommodate the growing use of the baht in the region for trade and investment.

Since the essence of our financial reform is to increase competition both among local financial institutions, and with foreign financial institutions, the scope of activities of financial institutions have been substantially expanded. The Bank of Thailand has allowed commercial banks to operate securities related activities such as underwriting, arranging and acting as dealer for public and private debt instruments. They have also been permitted to act as financial adviser, to conduct feasibility studies for investment project, and to provide financial information. As for non-bank financial institutions, seven more companies have been given licence to undertake mutual fund management. Furthermore, a new approach would be adopted with respect to the diversification and widening of financial activities that finance and securities companies can undertake. Permitting more finance companies to manage provident funds is also the possibility.

The most significant development in Thailand towards a regional financial centre has, perhaps, been the launching of the Bangkok International Banking Facilities, or BIBFs, in September this year. This is an offshore banking market based in Thailand with some cut in activities permitted, and with tax and regulatory treatments equivalent to that being offered in other financial centres.

Allow me to briefly mention the main lines of business of the BIBFs.

—For foreign currency businesses, all out-out lending are unrestricted. Out-in lending to residents is permitted for wholesale level with a minimum disbursement of US$500,000 per transaction or equivalent. They may arrange loans or act as lead managers for syndicated loans. Cross-currency forex businesses with all non-residents, and their resident borrowers are unrestricted. They may aval, accept and guarantee debt instrument, when counter parties are non-residents. Businesses involving letter of credit may be conducted with non-residents.

—For baht businesses, only out-out lending is permitted only at interbank level.

—In addition to the traditional banking business, they may conduct securities related activities such as arranging and underwriting debt instruments which must be issued abroad, acting as financial advisers, carrying out feasibility studies of investment project.

On tax treatment, the essence of tax privileges in the BIBFs is that for both out-out and out-in businesses, the corporate income tax rate is reduced from 30 to 10 per cent, while special business tax, local tax, and stamp duties are exempted. A withholding tax of 10 or 15 per cent on repatriation of interest payment abroad is exempted in the case of out-out lending.

The edge of BIBFs goes beyond its close proximity with Indochina, the geographical position places Thailand in a convenient time zone that will bridge the emerging global 24-hour trading. I believe BIBFs is timely. With the ppening up of Indochina, the trade and investment link between Thailand and the region, already substantial, will expand. Thus, the financial sector and BIBFs will be the mechanism to support our close link.

From the applications we have received, the advantages offered by Thailand and BIBFs have attracted the top names in the financial community. Thai banks operating International Banking Facilities in competition with the major names will therefore gain an invaluable experience and expertise.

Ladies and gentlemen, I would like to emphasize that BIBFs is not intended to carve out a market niche based on regulatory and tax arbitrage with other financial centres. Since BIBFs is only the first phase in our longer-term plan to develop Thailand into a full-fledged financial centre, we intend to have its foundation rooted firmly in the geographical, efficiency and business opportunity of Thailand to preserve its reputation.

In this connection, our financial reform contains a programme to improve and internationalize supervision of domestic financial institutions. And as of January 1993, Thai commercial banks will be required to maintain capital to risk asset, weighted according to the BIS standard, at the ratio of 7 per cent, which would be increased to 8 per cent by the end of 1994.

Moreover, we have made substantial progress in improving the financial infrastructure. The most significant development in this area has been the passing of the Securities Exchange Act and the setting up of the Office of the Securities and Exchange Commission of Thailand. The supervision and regulation of the securities industry is now centralized under one agency and has become more transparent.

We have also amended the Public Company Act to enable companies not listed in, or authorized by, the Stock Exchange of Thailand to raise funds from public offering of equity and debt. Thus it has stimulated growth in newly issued financial instruments as well as new types of financial instrument. Moreover, the BIS capital requirement will also substantially boost the issue of subordinated debt which could be counted as second-tier capital by banks. To support the growth of new financial instruments and professionalism in the market, and to protect investor's interest, we plan to set up a credit rating agency within this year. Another aspect of reforms mvolves the development of payment system, including the setting up of electronic fund transfer system and electronic clearing house, for which we

have hired NTT International Co Ltd of Japan as the project consultant. The project is due to be completed in 2 years time.

In closing, I would like to say that we have for many years carried out a major economic reform programme to set our economy on course for the next stage of development the central feature of the next stage is that the economy will diversify further, and with it the need to modernize and strengthen our financial sector.

To facilitate a smooth structural shift, the new administration has reiterated its stance to maintain economic stability, investors' confidence, and to enhance growth prospect by continuing with market reforms.

On our part, the Bank of Thailand's policy reflects these national priorities. The monetary policy stance will aim at maintaining growth and stability. The conduct of our policy will move increasingly away from direct control and towards market oriented instruments and channels.

The Bank of Thailand's new three year plan contains three major elements.

First, we will address the investment-saving gap, or the current account deficit, in a more systematic manner. In the medium-term, investment is projected to continue to expand at a high rate, while saving will remain relatively stagnant if left unattended. In order to ensure our medium-term growth with stability, the possibility of the gap expanding must be checked. The stepping up of domestic savings mobilization has already been given a high priority on the national agenda. A high-level committee will be set up compnsing representatives from the Ministry of Finance and the Bank of Thailand to coordinate this effort. The strategy will rely on market mechanism, namely by promoting long-term saving instruments, contractual and institutional savings.

Second we will continue with filrther financial liberalizations, including liberalization of major price variables, access to market, scope of business, and promoting new financial instruments and markets.

Third, we will continue to improve the financial infrastructure. An Export-Import Bank will be set up with major features such as export credit guarantee; and insurance. Emphasis on income distribution and rural development also lead to the set up of a committee comprising representatives from the Ministry of Finance and the Bank of Thailand to formulate plans to boost the operation of financial institutions, and specialized government-owned financial institutions in the rural areas and in the related sectors.

With respect to monetary policy management we at the Bank of Thailand will also be giving a particular emphasis to enhancing the efficiency the money market, that serves as the focal point in centralizing market information on interest rate movement and direction of monetary policy. This will be linked to a review of the government bond market and the conduct of monetary policy.

We will of course be forging ahead with the plan to turn BIBFs into a prominent regional player, and in this we greatly look forward to a close cooperation with members of financial community here.'

Vietnam

Further Reportage on Philippine Minister's Visit

Le Duc Anh Receives Romulo

BK1211152792 Hanoi VNA in English 1457 GMT 12 Nov 92

[Text] Hanoi VNA Nov. 12—President Le Duc Anh today received at the presidential palace Philippines Foreign Minister Roberto Romulo now on a visit to Vietnam.

Foreign Minister Nguyen Manh Cam was present at the reception.

The Vietnamese president welcomed the results of the talks between the Vietnamese and Philippine Foreign ministers. He valued highly the Philippine role in the region and reaffirmed Vietnam's consistent policy of preserving peace, cooperation and stability in the region. He said that Vietnam [words indistinct] of the settlement of out-standing issues in the region by peaceful means in conformity with the interests of the concerned parties.

President Le Duc Anh asked Minister Roberto Romulo to convey his regards to President Fidel Ramos and his invitation to President Ramos to visit Vietnam.

Minister Roberto Romulo expressed his belief that the allround cooperation will help the two countries [words indistinct] each other on the road of development. He hailed Vietnam's consistent policy of solving conflicts in the region by peaceful means.

Cam, Romulo Hold News Conference

BK1211160392 Hanoi VNA in English 1423 GMT 12 Nov 92

[Text] Hanoi VNA November 12—Foreign Minister Nguyen Manh Cam and his Philippine counterpart Roberto Romulo held a press conference at the governnment guest house today on the occasion of the latter's visit to Vietnam.

Minister Roberto Romulo said that after meeting with Vietnamese top leaders as well as with the minister in charge of the economy, the Philippine side has got a general idea about Vietnam's needs which is the basis for a programme of cooperation between the two countries. He said he was satisfied at the [words indistinct] the investigations of Philippine business into market requirements and investment opportunities in Vietnam. He said at the moment Philippines may invest in agriculture, food processing and other areas.

He further made known that during their talks the two sides also discussed regional security and other fields. The Philippine government welcomes Vietnam's concern over the Philippines' efforts in national development, he said.

A REUTERS correspondent asked about the Truong Sa Archipelago issue and asked the Philippine minister about the Philippines' attitude towards the US embargo [word indistinct] Vietnam.

About Truong Sa, minister Nguyen Manh Cam said: We have had not much exchange of views on this issue because Vietnam's stance coincides with ASEAN's statement of July 22, 1992 namely, all conflicts in the East Sea should be settled through peaceful negotiation.

In the meantime, the concerned parties must observe self-[words indistinct] doing anything which might make the issue more complicated, must not use force or the threat of force. If all concerned countries respect this principle all issues, however complicated, can be solved, Nguyen Manh Cam stressed.

On the relations between Vietnam and the United States, Minister Roberto Romulo stressed that the US and Vietnam should agree on a time-table for their meeting to settle the mormalisation between the two countries the sooner the better.

Hanoi Radio Reviews Ties

BK1211161592 Hanoi Voice of Vietnam in English 1000 GMT 10 Nov 92

[Text] After the Philippine visit of Premier Vo Van Kiet, the official visit to Vietnam this time of Philippine Foreign Minister Roberto Romulo is another manifestation of the growing bilateral relations. In implementing the open-door policy, that is, to befriend all countries, first of all neighboring countries, in this year Vietnam has done all it can to promote its relations with ASEAN countries, including the Philippines.

Over the past years, the two countries exchanged visits, information, and students in culture, sports, tourism, personnel training. Two-way trade turnover increased from $10 million in 1988 to more than $100 million in 1990. By now, many large companies of the Philippines have come to explore business opportunities in Vietnam.

Time has reaffirmed that the promotion of relations between Vietnam and the ASEAN countries, including the Philippines, is an essential demand for all regional countries. The bilateral ties will serve future development.

As the former president of the Philippines, Mrs. Corazon Aquino, put it, the Philippines and Vietnam are ideal friends in cooperation for their country's development. The Philippines hopes that this relations will be warmer in the coming period.

The Vietnamese people sincerely wish the official visit to Vietnam this time of Philippine Foreign Minister Roberto Romulo will a success, thus contributing to strengthening bilateral ties and for peace, stability, and development in the Asia-Pacific region and in the world.

Philippines To Open Consulate

HK1311034292 Manila THE MANILA CHRONICLE in English 13 Nov 92 p 6

[Report by Johanna Son]

[Text] Hanoi—Vietnam yesterday agreed to the Philippine plan to open a consulate in Ho Chi Minh City, saying it had become "necessary" in the light of burgeoning economic ties between the two countries.

Foreign Secretary Roberto Romulo had broached the subject in bilateral talks Wednesday, and Vietnamese officials promised to consider the proposal.

Asked what Hanoi's position was, Vietnamese Foreign Minister Nguyen Manh Cam said: "We are ready (for the Philippine request)."

"We told Secretary Romulo that with the speed of the development of our two countries' relations, the opening of a consulate is necessary to promote relations," Cam said.

Romulo earlier said the Philippines needed to open a consulate in Saigon, because of increasing requests for consular functions. In the past, embassy officials have had to fly from Hanoi to perform such functions.

Filipino officials also suggested an increase in Philippine Airlines [PAL] flights to Hanoi, which Cam welcomed yesterday.

However, the frequency depended on two factors: the number of passengers taking the Vietnam-Philippines trip and the economic viability for PAL and Vietnam Airlines.

PAL flies to Ho Chi Minh City three times a week, and Vietnam Airlines flies Mondays and Fridays. In principle, Cam said, "We encourage that ... the more flights, the better."

Meantime, Vietnam and the Philippines have agreed on six areas of expanded economic cooperation, called "new steps forward" aimed at harnessing the complementarities between the two developing countries.

Romulo and Cam said that bilateral talks over since Tuesday [as published] in this Vietnamese capital were focused on looking for areas of complementarity that would "create for the two countries good conditions for development."

Cam said Vietnam was interested in six areas where the Philippines could help his country. These involve

projects in agriculture, skills in food processing, infrastructure, heavy industry, exploitation of mineral resources, exploitation of silica for glass production.

Other areas of priority that Vietnam considers are the forging of an agreement between the countries that would avoid double taxation to create favorable conditions for Filipinos investing in Vietnam, and maritime and aviation cooperation.

Cam specifically mentioned one infrastructure project, by A & E Industrial Corp., to set up a 300-megawatt power plant in Vietnam. Filipinos would also be involved in improving seaports and highways.

Call To Explore S. China Sea Jointly

HK1311041092 Manila THE MANILA CHRONICLE in English 13 Nov 92 pp 1, 8

[Report by Johanna Son]

[Text] Hanoi, Vietnam—The Philippines and Vietnam have sounded a call to make the South China Sea, where territorial disputes have erupted, a zone of stability and cooperation, and to open it to mutual exploration.

Interviewed by Filipino newsmen at the presidential palace in Hanoi, Vietnamese Prime Minister Vo Van Kiet suggested that a joint agreement similar to the one adopted by his country and Malaysia could be a model in tapping the resources of the South China Sea, which is believed to contain huge reserves of gas and oil.

Lured by the area's natural riches, several countries have laid claim to island groups in the South China Sea, particularly the Spratlys and the Paracels.

The Philippines and Vietnam are among the claimants to the Spratly islands and Foreign Secretary Roberto Romulo was in Hanoi to push for joint exploration in the disputed area.

A joint statement issued in Hanoi to cap Romulo's visit cited the Asean Declaration on the South China Sea as "a good basis for setting up principles of international conduct... in pursuit of peace and stability in the region."

Speaking through an interpreter, Kiet said that every claimant could define its own sovereignty in the area but "a clear-cut demarcation line need not be drawn."

Kiet said Vietnam and Malaysia have an agreement to mutually explore the waters off Vung Tao, in Vietnam's southern tip.

Kiet said Vietnam's claim on the Spratlys and Paracels was based on the fact that they lie along the continental shelf and are within its "exclusive economic zone."

He stressed, however, that "any newly emerging reference to the sovereignty of Vietnam we shall discuss in peaceful dialogue."

Kiet added his country was ready to discuss territorial problems with the Philippines.

The move by the Philippines and Vietnam to strengthen their ties was seen as a hedge against manuevers by China to further its own claim in the area.

Vietnam and China were engaged in a shooting skirmish over the Paracels several years ago.

In 1991, the two countries reached a negotiated standoff.

Vietnamese officials, however, are still wary about China's hiring of an American firm to look for oil and gas in the Spratlys.

Kiet dismissed such apprehension, saying that except for "outstanding problems" in the Spratlys and Paracels, there are no forseeable problems with China.

Kiet also:

—Thanked Vietnam's neighbors for improving their relations with Hanoi, a development which has influenced the "step by step" improvement of its ties with the U.S. and the Philippines.

—Identified the Khmer Rouge as the "main obstacle" to peace in neighboring Cambodia.

The Philippine-Vietnam statement also urged all countries to help ensure the "scrupulous implementation" of the Paris Agreement toward "national reconciliation and concord in an independent, peaceful, neutral, nonaligned Cambodia."

The Philippines expressed gratification over Vietnam's economic reforms and "the considerable economic progress achieved under those reforms."

Vietnam commended the Philippines' efforts towards "national unification and reconciliation."

Filipino diplomats gave importance to Vietnam's statement, interpreting it as a backing by a socialist government for the Ramos government's efforts toward political stability.

Yesterday morning, Romulo met with Vietnamese President Le Duc Anh at the Presidential Palace. "We understand where we (the Philippines and Vietnam) can complement each other."

One of Vietnam's requests was for skills and management expertise, officials said.

Romulo, Foreign Undersecretary Rodolfo Severino Jr., and Filipino businessmen flew to Ho Chi Minh City yesterday afternoon.

Joint Communique Issued

BK1311070692 Hanoi VNA in English 0642 GMT 13 Nov 92

[Text] Hanoi VNA Nov. 13—A joint press release was made available on Thursday on the official visit to Vietnam from November 10-14, 1992 by Mr Roberto R. Romulo, secretary of foreign affairs of the Republic of the Philippines, at the invitation of Foreign Minister Nguyen Manh Cam.

During their stay in Vietnam, Mr. Roberto R. Romulo and his party laid a wreath at Ho Chi Minh's mausoleum, visited the late Vietnamese leader's residence and working place. They were warmly and cordially received by President Le Duc Anh, Prime Minister Vo Van Kiet and Vice-Chairman of the National Assembly Phung Van Tuu.

The Philippine delegation also visited economic and cultural establishments in Hanoi and Ho Chi Minh City.

The official talks between Minister of Foreign Affairs Nguyen Manh Cam and Secretary of Foreign Affairs Roberto R. Romulo were held in an atmosphere of sincerity, friendship, mutual trust and understanding.

The two sides noted with satisfaction the new developments in the cooperative relationship between the two countries since the official visit to the Philippines of Prime Minister Vo Van Kiet in February 1992. They were of the view that conditions today are even more favourable for strengthening those relations particularly after Vietnam's accession to the Treaty of Amity and Cooperation in Southeast Asia and her observer status in ASEAN.

The two sides were gratified at positive developments in the region ushering in a new era of friendship and cooperation among all nations in Southeast Asia. They reiterated their determination contribute to building Southeast Asia into a zone of peace, stability, friendship, cooperation and development. The two sides called on countries within and outside the region to support the endeavours toward this end.

With regard the recent development in the South China Sea, the two sides agreed that the ASEAN Declaration on the South China Sea issued by the ASEAN foreign ministers on July 22nd, 1992 in Manila, and fully supported by Vietnam and other countries within and outside the (?region), constitutes a good basis for setting up principles of international conduct in the South China Sea, in pursuit of peace and stability in the region.

The two sides expressed their concern at the activities in violation of the Paris Agreement on Cambodia and urged all concerned countries and parties to take necessary measures to ensure the scrupulous implementation of the agreement with a view to realizing, national reconciliation and concord, building an independent, peaceful, non-aligned Cambodia have friendly relations with all other countries, firstly with her neighbours in Southeast Asia.

The two sides were of the views that in face of the current swift and profound changes in the world, all nations should join in the common endeavour to establish healthly international environment based on the principles of peaceful coexistence, equality among nations, cooperation for mutual benfits for each country's development and prosperity and for peace, stability and friendship in the world, mutual respect for each other's independence, sovereignty and territorial integrity, settlement of all disputes through peaceful negotiation and non-interference in each other's internal affairs, non-use of threat to use force. Mr. Roberto R. Romulo extended an invitation to Foreign Minister Nguyen Manh Cam to pay an official visit to the Philippines. The invitation was accepted with thanhks and pleasure. The timing for the visit would be agreed upon through diplomatic channels.

Vo Van Kiet Receives Egyptian Envoy 12 Nov

BK1211152192 Hanoi VNA in English 1459 GMT 12 Nov 92

[Text] Hanoi VNA Nov. 12—Prime Minister Vo Van Kiet receives here today newly accredited Egyptian Ambassador Nabil Salih Fahmi.

The ambassador praised the long-standing relations between Egypt and Vietnam and identifed the areas in which the countries could expand their cooperation. He expressed his hope that the 1992-1994, Egypt-Vietnam cultural cooperation programme will be signed in the near future. He said that Egypt has approved a number of Vietnamese students in agriculture and the [words indistinct] and the number will be increased in the following years.

Speaking to the new Egyptian ambassador, Prime Minister Vo Van Kiet said that up to the present there has been no obstacle to the development of cooperation between the two coutries.

The trade agreement and the cultural cooperation programme to be signed in the new future will open a new era in the Vietnam-Egypt relations, the prime minister added.

Government Reviews Socioeconomic Performance

BK1311064092 Hanoi VNA in English 0619 GMT 13 Nov 92

[Text] Hanoi VNA November 13—The Vietnamese government met in regular session on Nov. 10-12 under the chairmanship of Prime Minister Vo Van Kiet.

The government heard a report on the implementation of the socio-economic tasks for this year and on the socio-economic development plan and state budget for the next year.

It was reported at the session that almost all targets for socio-economic development and state budget for 1992 approved by the national assembly may by achieved or surpassed, the socio-economic situation continued to evolve in a positive direction, the economy continued to adapt step by step to the new mechanism and began to stabilise and develop.

However, shortcomings and weaknesses remained in many areas, some social problems remained acute, notably unemployment, corruption, smugggling, and other social evils, losses in state revenues, continued budget deficit, etc. The changes in the social and cultural situation have not been commensurate with those in the economy, especially the poor performances in the reduction of population growth rate and the improvement of the living conditions of the people in the areas with exceptional difficulties.

The government discussed main tasks of the state plan and budget for 1993, fundamental socio-economic development targets, major economic balances, state budget structure and balance, and the orientations for development of the key branches.

The government also heard projects on the continuation of education reforms, on population and family planning and public healthcare to be submitted for approval at the next session of the party central committee.

The government also discussed and adopted the programme of legislation for 1993 and the draft amendments to the law on foreign investment to be submitted to the national assembly.

Nong Duc Manh Receives People's Councillors

BK1111092992 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Nov 92

[Text] Since the redelineation of its administrative boundaries, Ha Giang Province has experienced numerous difficulties. The province has appointed Comrade Trieu Duc Thanh, member of the provincial party committee standing body and chairman of the provincial people's council, to head a provincial people's council delegation of 10 comrade chairmen of district and city people's councils to make a fact-finding trip to the Provinces of Quang Ninh, Hai Hung, and Lang Son to learn from the work experiences of people's councils at all levels there.

On their way home, the delegation stopped in the capital on 7 November. On this occasion, National Assembly Chairman Nong Duc Manh received and had a working session with the delegation. Comrade Trieu Duc Thanh briefed Chairman Nong Duc Manh on the experiences the delegation encountered in the provinces and pointed out a number of major difficulties in communications, drinking water supply, public healthcare, education, and other domains that the provinces must overcome with necessary investment from the central government in order to quickly help local residents of different ethnic groups improve living conditions. He also suggested practical measures to build the system of local people's councils.

Speaking on this occasion, National Assembly Chairman Nong Duc Manh welcomed the delegation's fact-finding trip and stressed that it is the National Assembly's policy to encourage everyone to learn from the work experiences of people's councils. As an immediate objective, the National Assembly will create every condition for supplementing or perfecting the law on organization of people's councils and administrative organs at all levels so that they will be able to enhance their roles and bring into full play their capacities, thus making their activities felt in the local people's life and ensuring high work efficiency.

Chairman Nong Duc Manh concurred with the delegation's suggestions. As far as Ha Giang Province is concerned, it is of primary importance to concentrate efforts on building a good communications network to create conditions for socieconomic development. Chairman Nong Duc Manh analyzed both objective and subjective conditions that Ha Giang Province has in implementing local economic, cultural, and social development tasks.

Comrade Nong Duc Manh wished members of the delegation happiness and good health and hoped that they would make a positive contribution to the cause of national renovation and would effectively discharge their duties as people's councillors.

Hanoi Meeting Marks Oct Revolution Anniversary

BK1211103192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Nov 92

[Report on meeting held in Hanoi on 7 November by the Nguyen Ai Quoc Institute and the Institute of Marxism-Leninsim and Ho Chi Minh Ideology to mark the 75th anniversary of the Russian October revolution; portions recorded]

[Summary] "A grand meeting was held in Hanoi this morning by the Nguyen Ai Quoc Institute and the Institute of Marxism-Leninism and Ho Chi Minh Ideology to mark the 75th anniversary of the Russian October revolution.

"Attending were Comrade Nguyen Dinh Tu, secretary of the Party Central Committee; Comrade Ha Dang, member of the Party Central Committee and head of its Culture and Ideology Department; and Comrade Dang Xuan Ky, member of the Party Central Committee and director of the Institute of Marxism-Leninism and Ho Chi Minh Ideology."

Also present were representatives from various committees, sectors, and organs at the central level; representatives from the Union of Peace, Solidarity, and Friendship Organizations and the Vietnamese-Soviet

Friendship Association; cadres and lecturers of the Nguyen Ai Quoc Institute and the Institute of Marxism-Leninism and Ho Chi Minh Ideology; and students of the College of Propaganda and Education and the College of Pedagogy.

In his opening speech, Comrade Do Huu Luong, deputy director of the Nguyen Ai Quoc Institute, said:

[Do Huu Phuong recording] "Today, we mark the anniversary of the October revolution under a very special circumstance. Socialism has collapsed in Eastern Europe and the Soviet Union—the first and largest socialist country in the world and the homeland of the October revolution itself. One of the causes of the collapse was the denial of the Marxist doctrine on class and the class struggle and also the denial of the experiences and the achievements brought about by the October revolution itself among the highest leaders." [end Do Huu Phuong recording]

Next, Comrade Dang Xuan Ky, director of the Institute of Marxism-Leninism and Ho Chi Minh Ideology, delivered a speech affirming the great historical significance of the October revolution. He said:

[Begin Dang Xuan Ky recording] "Compared with all the previous revolutions, the October revolution was one of greatest historic and most creative significance. It was the revolution that paved the way for mankind to advance to socialism—the way that led the most creative and universal abilities to realize the ideal of liberating a broad array of the oppressed laboring people, eradicating exploitation and slavery, and shaping a new social position for laborers to exercise their rights to freedom and mastery.

"The success of the October revolution affirmed the creative strength of people in the struggle to liberate themselves. It also paved the way for the creation of a new society unprecedented in history."

"The October revolution became a symbol of the opening of a new path for the development of the modern world—the socialist path. As we have already been told by history, during the more than seven decades of advancing on that path, the Russian and Soviet people of all nationalities in the Soviet Union made many noteworthy achievements, winning the admiration and respect of all mankind.

"At the same time, diversified experience had also been accumulated to help radiate life to the world. Meanwhile, through the various stages of advancement, the Russian and Soviet people also had to overcome numerous misfortunes and vicious circles of history. In the development process they have made sacrifices, suffered losses, and endured agonies. However, despite these ups and downs, the concepts of the October revolution remain brilliant and its path is still the path of advancement for many nations. This chosen path has been proven to be reliable." [end recording]

Pham Van Dong Sends Message to Honecker

BK1011144192 Hanoi VNA in English 1406 GMT 10 Nov 92

[Text] Hanoi VNA Nov. 10—Pham Van Dong, advisor to the Central Committee of the Communist Party of Vietnam, today expressed his great concern over the present health condition of Mr Erich Honecker and his coming trial.

In his message, Pham Van Dong says: 'I have always remembered your sentiments towards Vietnam and your great services to the friendship between the Socialist Republic of Vietnam and the former German Democratic Republic.

'I wish that you would rapidly recover from your illness and overcome the harsh challenges'.

Agricultural News Focuses on Harvest Fulfillment

BK1111153392 Hanoi VNA in English 1337 GMT 11 Nov 92

[Text] Hanoi VNA Nov. 11—According to the Ministry of Agriculture and Food Industry, farmers throughout the country, by Nov. 5 had harvested 1,118,500 ha of autumn rice, accounting for 41.7 percent of the cultivated area. The harvested area included 953,100 ha in the north, or 73.95 percent of the cultivated area.

The farmers have also put 358,850 ha under winter crops, or 89.71 percent of the plan, and up by 8.5 percent over the same period last year.

Farmers in the Mekong Delta provinces have sowed 121,000 ha with winter-spring rice.

Heavy Industry's Progress in Past 9 Months Cited

BK1211143092 Hanoi Voice of Vietnam in English 1000 GMT 10 Nov 92

[Summary from poor reception] In the first nine months of this year, heavy industry produced a gross value of 766 billion dong, 31.6 percent over the same period of last year. Meanwhile, sales of heavy industry products reached 2,090 billion dong or 80 percent of the annual plan. Many factories achieved high output compared with the yearly target, such as electric engines, 88 percent; urea, 98 percent; and phosphate fertilizer, 86 percent.

Many units under the Ministry of Heavy Industry made great achievements. They are the Union of Metal Works, the Song Cong Diesel Engine Factory, the Ha Bac Nitrogenous Fertilizer Factory, the Van Dien Phosphate Fertilizer Plant, and the Duc Giang Chemicals Factory.

Enterprise Pumps Over 4.5 Million Tonnes of Oil

BK1211150992 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 9 Nov 92

[Text] As of October 1992, the Vietsovpetro enterprise has pumped more than 4.583,000 tonnes of oil. On the average, more than 15,000 tonnes have been pumped daily. Thanks to this effort, it is likely that the enterprise will fulfill its target of 5.5 million tonnes before the end of this year.

Due to the application of positive measures in management and efforts to improve production, the Vietsovpetro enterprise has satisfactorily fulfilled all urgent requirements set for 1992.

As of October this year, its oil rigs have conducted 52,000 drillings at various oil wells, exceeding plan norm by 16 percent. Most of the drillings had high yields.

With these achievements, the enterprise is likely to make notable progress in exploiting oil. It is striving to accelerate work at the 12 oil wells to exceed the plan norm by 20 percent. The enterprise has thus far attained 92 percent of the continued production period or 4 percent more than the corresponding period last year. The non-production period has been reduced to 5 percent from the 12 percent in the previous year.

Australia

Government To Reallocate $174 Million for Jobs

BK1311062892 Melbourne Radio Australia in English 0500 GMT 13 Nov 92

[Text] The Australian Government says it is reallocating $174 million to create or bring forward 20,000 new jobs. Federal Treasurer John Dawkins said the government would transfer $150 million originally intended for railways and $24 million for electricity works to other infrastructure and labor market programs.

Apart from the reallocated funds, there will be new spendings this year of $8 million and $31 million more next year.

Mr. Dawkins said the government is offering an enhanced assistance package to major employers willing to take on at least 100 additional full-time employees who have been unemployed for at least six months or who qualify as young trainees.

The treasurer said a review of spending announced in the prime minister's One Nation Program earlier this year had shown not all the money allocated for the national rail system this year could be prudently spent.

The initiative on unemployment comes a day after Australia's unemployment rate jumped to a new postwar high of 11.3 percent involving almost 980,000 people.

New Zealand

Unemployment Rate Unchanged at 10.3 Percent

BK1311015892 Hong Kong AFP in English 0145 GMT 13 Nov 92

[Text] Wellington, Nov 13 (AFP)—A total of 167,000 people were unemployed in New Zealand in the quarter ending September 30, the Statistic's Department's Household Labour Force Survey released Friday showed.

The number was unchanged from the previous quarter.

The unemployment rate for the July-September quarter was 10.3 percent, also steady with the April-June quarter. The rate had been 10.9 percent in the July-September quarter of 1991.

The native Maori jobless rate was 25.3 percent compared with 7.8 percent for Pakeha (non-Maori) and 25.2 percent for ethnic Pacific Islanders.

Solomon Islands

Mamaloni Explains Suspension of Australian Flights

BK1311062692 Melbourne Radio Australia in English 0500 GMT 13 Nov 92

[Text] Solomon Islands prime minister Solomon Mamaloni said his government's action in suspending Australian Air Force flights over the Solomon waters has nothing to do with the fisheries surveillance.

South Pacific correspondent Jemima Garrett said the prime minister's comments come in the wake of an official note suspending all surveillance flights for an indefinite period.

[Begin Garrett recording] A statement issued by the prime minister says only training flights have been suspended and gives as an example one flight refused entry on 29 October. That aircraft, which had been training in Hawaii, was scheduled simply to overfly Solomons as part of its most direct route home.

Mr. Mamaloni said the reason for the suspension could be clearly understood. Feelings among Solomon citizens were still quite unsettled after the border raid by PNG [Papua New Guinea] troops in September which left two Solomon Islanders dead. The prime minister said such fears would only be heightened by the appearance of strange aircraft, and as a result, Australian military flights were considered neither timely nor appropriate.

As Australia does not conduct training flights over Solomons, it is still unclear as to exactly which flights are subject to suspension. The Australian High Commission in Honiara is awaiting formal clarification. [end recording]